FINANCIALTIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,273

Friday September 19 1980



NEWS SUMMARY

BUSINESS

Dollar

Equities

• DOLLAR was firm, helped by improved Eurodollar rates

and an easing of some Euro-

pean interest rates. It closed at DM 1.7915 (DM 1.7810) and

Y212.90 (Y211.90). Its index

to 75.6 (75.5). Page 38

Hourly Moreoverts

SEPTEMBER 18, 1980

• EQUITIES were depressed

by GKN's poor results. The FT

30-share index closed 3.1 down

• GILTS faltered after early

optimism, but the Government Securities index nevertheless

gained 0.58 to close at 71.19.

4.26 to 957 near the close. Page

• U.S. DUTIES on British wool

imports will be increased from January 1 unless EEC quotas on

U.S. synthetic fibres are lifted

by then, President Carter said.

• AUSTRALIAN trade delegation ended talks with Euro-

pean Commission officials saying

satisfactory understanding"

had been reached, though sanc

• PROCTER AND GAMBLE.

leading U.S. consumer products

allegations that its Rely brand

• BUNDESBANK reduced West

Germany's Lombard rate from

9.5 per cent to 9 per cent. Page 2

CONSETT steelworks' pro-

with Mr. Ian McGregor, British

Steel's chairman, saying they

were "very optimistic." Back

Page: BSC announced the first

stages of decentralisation, Page

 INVESTMENT by manufacturing industry fell by 5 per cent in the first half compared with the final six months of

● LIVERPOOL Daily Post and

Echo is to present a major

economies package to its unions

on Monday in a bid to keep the

Daily Post open. Page 7:

• INSURANCE companies and private-sector pension funds increased holdings in overseas

equities by more than £200m in

the second quarter. Page 7

• OIL PRODUCT DEMAND fell

by 14 per cent in the first six months, of the year against the

VOLKSWAGEN, West Ger-

many's largest motor group, re-

ported profits down by 28 per

cent in the first half of 1980,

• FOKKER, the Dutch sero space group, reports first-half net profits of Fl 4.8m (£1.03m),

equalling its results for the

whole of last year. Page 30

(£50.58m). Page 29

DM 300m to DM 216m

Results, Page 28

at 497.7. Page 40

off 3.1

firm;

GENERAL

Iraqis claim border success

trag yesterday said it had shot down an Iranian jet fighter and repulsed armoured and artillery rose to 83.6 (83.3). STERLING closed 75 points down at \$2.3850, though its index rose attacks, in what seems to be a worsening of their bitter border

Iraqis said an Iranian tank attack in the Maysan region had been driven back, and denied Iranian claims that an ammunition supply train had been

blown up. In Tehran, Iran's Majlis (Parliament) postponed setting up a commission on the U.S. hostages, in order to hear a secret report on the fighting. The Government has not commented on Iraq's formal repudiation on Tuesday of the 1975 border agreement. Back Page: West threatened, Page 3

Polish unions

Poland's independent trade nions have attracted 3m memhers since Poles won the right to set them up last month, workers' leaders said.

Violence warning Prospects for the unemployed are at their worst since the 1980s and could lead to violence in the streets, said the Supple-

mentary Benefits Commission's

final report. Page 9 Turkish oath

Turkey's military commanders swore themselves in as the country's rulers, but dropped from the oath a promise to restore power to a new Parlia-ment. Page 2

Autonomy hopes

Spanish Prime Minister Adolfo Suarez adopted a more con-ciliatory line towards demands for regional autonomy, and was rewarded with Andalusian support in a parliamentary confidence motion.

Fewer Jews leave

New bureaucratic practices have Back Page drastically reduced the rate of-Soviet Jewish emigration, long a barometer of U.S. Soviet relations. Page 2

Refund check

European Parliament took steps to ensure it could monitor the \$1.67bn (£699m) budgetary re-fund Britain won from the EEC in May.

Israeli attacks

Israeli seaborne commandos attacked Palestinian bases in southern Lebanon for the second time in 20 days. It was described as a routine operation to keep the guerrillas on the

'Criminals hired'

Prison officers demanded an inquiry into Home Office vetting procedures after their conference was told men with criminal records were being trained as officers.

BBC vote today

Union members at the BBC will today consider a back-towork formula in the inter-union dispute which has balted preparation of several series.

Getting the pip

British European Paliament members interrupted a debate on world hunger to hand out English apples in protest at "unfair" competition from French

Golden Delicious.

Briefly . . . Search resumed for British freighter Derbyshire, feared sunk off Okinawa. Ark Royal's last trip, to the shipbreakers', was delayed by

high winds. Western Sahara guerrillas said they killed hundreds of Moroccan soldiers in a 16-hour

CHIEF PRICE CHANGES YESTERDAY

CELICER IN hence miness ofnerwis	C Indicaton)
RISES Treas, 12;pc 1992, £994 + 1 Treas, 13;pc 04-08 £1034 + 7	Westland 151 + 6
Treas, 121pc 1992. £994 + 1	Willis Faber 269 + 9
Treas. 13+pc 04-08 £1034 + 7	BP 358 + 6
Assed. Newspaper . 273 + 8	Shell Transport 414 + 6
BICC 153 + 7	Uultramar 378 + 14
Treas, 134pc 04-08 £1034 + 4 Asscd. Newspaper . 273 + 8 BICC	Beralt Tin 72 + 5
Bowthorpe 171 + 6	Peko-Wallsend 550 + 15
Crouch Group 198 + 5	
Delta Metal 584 + 94	FALLS
Inveresk 25 + 3	GKN 198 - 30
Johnson Matthey 273 + 17	Kitchen Queen 9 - 4
Inveresk	Lucas Inds 201 - 9
London United 160 + 15	Rowntree Mack tosh 1/4 - 4
Marler Estates 108 + 14	Steetley 188 - 0
Penting 53 + 8	Tube Invs 232 - 10
Pentos	Vinkers 131 - 4
Prudential 268 + 10	Aran Energy 370 - 50
Rosebaugh 173. + 18	Crantulai 587 18
Court Boothore 41 - 4	PT7 475 - 12
Smith Brothers 41 + 4 Thorn EMI 358 + 6	111-1-1 587 - 18
THOPH EALL JUST TO	CH1951

Local authority grants reduced as British Rail receives a boost

Heseltine retains £200m in bid to curb spending

BY ROBIN PAULEY

THE GOVERNMENT is to withhold £200m from local authorities in England and Wales in November in a further attempt to force them to contain their spending within Government targets.

In addition, 14 authorities.

mostly in London and all but one Labour-controlled, will lose a total of £18.42m grant as a penalty for "profligate" spend-ing this year and failure to make adequate attempts to meet the Government's targets.

Three London authorities, Lambeth, Hackney and Islington, all on the blacklist of 14 are to lose a further £3m total from their inner city partnership programme as a third penalty for refusing to cooperate with the Government. The cuts will have to be

absorbed by greater efficiency and more manpower cuts, or by higher rates, or by further cuts in services, many of which have been already pared to the bone. The cuts are intended to eliminate all risk of final 1980-1981 expenditure exceeding central Government targets. The £200m could be released if local authorities achieved existing targets.

● GOLD fell \$3 in London to \$672.5. Page 28 If, however, the cuts are made, local authority officials • WALL STREET was down believe that most councils will

THE PENALISED AUTHORITIES

Authority	Domestic rate p in the £	grant to be lost as penalty £m	p in £ needed to make up lost grant
Camden	113	5.22	5.00
Islington	112	2.42	4,78
Tower Hamlets	105	1.55	3.73
Lambeth .	125	2.10	3.63
Hackney	103	1.01	2.75
Lewisham	104	0.97	2.28
Newcastle	158	1.31	2.18
Hammersmith/Fulham	86	0.51	1.55
Brent	109	0.71	1.41
Waltham Forest	119	0.53	1.35
Hounslow	100	0.55	1.15
Greenwich	84	0.41	1,14
Afan	131	0.11	1.10
Sheffield	136	1.02	1.05

Domestic rates were translated into "uniform" rates by the Governmen before the list to be penalised was compiled. This adjusts for the effects of different types of government grant including the domestic subsidy and allows for the different circumstances between London and the rest of the country. Hammersmith/Fulham, controlled by a Conservative Liberal coalition, is the only penalised council which is not Labour

ture targets would be zero.

The Government has made be unwilling or unable to do curbs on local Government without that money. They spending an important plank expect that the local authorities in its economic policy. But the

will replace the cuts by borrow- difficulties it has encountered ing, which would increase the in achieving significant cuts public sector borrowing require-ment by 200m. If this happened cerned about the extent to the net gain to public expendi-which the private sector seems

to be bearing the full brunt of Continued on Back Page Editorial Commone,t Page 22; Money supply figures, Back Page

Dockers' delegate meeting expected to cancel strike

BY PAULINE CLARK, LABOUR STAFF

tions against the EEC would remain in force until the under-standings were implemented. be called off on Sunday when surplus labour. union leaders recommend to company, faces U.S. Government dockers that they accept a new tampons may have caused the peace formula. The strike would deaths of several women. Page be due to start on Monday.

The formula was agreed at a meeting yesterday between national port employers and union representatives headed by Mr. Alex Kitson, deputy general secretary of the Transspective buyers left a meeting port and General Workers Union.

Liverpool employers ате believed to have backed down on their threat to remove 180 redundant dockers from their pay-roll. But they are likely to

THE THREATENED national encouraging voluntary redupdock strike will almost certainly dancy, to relieve the port of TGWU national docks secretary,

> National Dock Labour Board to enable port employers to offer agreed formula be accepted."
>
> more attractive severance terms
>
> At the start of this week the more attractive severance terms to dockers. It is expected that an interim increase in severance pay will be discussed between union and employers next Monday.

Details of the peace formula were being kept firmly under wraps vesterday ahead of the dockers' recalled delegate con- Register. ference on Sunday which will finally decide on the strike. Employers were confident

formula. But Mr. Tom Cronin, said yesterday only that the The Government plans, in the trade union side of yesterday's coming parliamentary session, meeting of the national joint to increase the present £10m council for the ports industries borrowing ceiling for the was prepared to recommend to the conference "that the jointly

> union's executive unanimously the need for further cuts in backed the dockers' decision to strike if the Liverpool port emplayers refused to give a written assurance that redundant dock lahour would not be placed on the national dock labour scheme's Temporary Unattached

Under the 1974 Jones-Aldington agreement on dockwork regulation, the register can be call, in return, for greater local port leaders of Britain's used only for disciplinary pur-co-operation from the union in 23.000 dockers will accept the poses.

Rothschild family dispute ends

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

out earlier this week between had become clear in any case family name appeared to have nation. ome to an end last night. Mr. Evelyn de Rothschild, The dispute had apparently chairman of N. M. Rothschild come to an end last night.

been defused by a series of moves yesterday by Mr. Jacob Rothschild, chairman of Rothschild Investment Trust, the pubfirst half of last, according to Institute of Petroleum figures. licly quoted company which until recently has been closely connected with N. M. Rothschild, the UK merchant bank.

Among the most significant was his resignation from the pany's "co-operation and expres-Board of Rothschilds Continua- sion of confidence." tion, the holding company of

THE PUBLIC row which broke the merchant bank. He said it pany, J. Rothschild and Comtwo branches of the UK Roths-child family over the use of the

> and a major shareholder in the holding company, was the other main protagonist in the dispute.
> In other moves it was announced that Rothschild Investment Trust is to change its name to RIT Limited, while agreeing to have its 11.4 per cent stake in Rothschilds Continuation sold with that com-

pany, has become manager of RIT's assets as well as holding company for all trading subsi-diaries. Another RIT group company is having its name changed to J. Rothschild International Investments.

The outcome leaves Mr. Jacob Rothschild able to use the family name in part of his business, though not in the title of the main holding company. He has apparently given no commitments about not taking RIT into banking activities in the future, as the other branch of the family had wanted. But last night he said he had "no present intention" of going into

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For latest Share Index 'phone 01-246 8026

State to give BR more flexibility

BY LYNTON McLAIN

THE GOVERNMENT is allowing British Rail more financial flexibility to help counter revenue losses and the effects of the 20 per cent pay seftle-ment for railwaymen.

The modification of policy follows a series of pleas to the Government from British Rail. The upshot is a £40m increase in the total external finance limit set for the British Rail-way Board to a ceiling of £790m

Mr. Norman Fowler, Transport Minister, announced the change yesterday on the eve of today's announcement on fare rises of about 20 per cent from British Rail. Mr. Fowler insisted that it was not a U-turn in Government policy.

And, he said, British Rail could expect to have its investment plans for the next finan-cial year frozen if it breaches the new finance limit.

In addition, the total by which British Rail breached the limit would be taken off the British Railways' Board's finance limit for 1981-82.

The recession and the steel strike are forecast to cost British Rail £70m in revenue losses this financial year, with the pay award adding another £70m to its costs.

The original £750m limit on BR's external finance was set in the Government's March White Paper on expenditure and was based "on the assumption that BR will be able to contain costs.

British Rail failed to do this although it has cut its annual expenditure of more than £2.25bn by £8m as a result of gains in productivity associated with the pay award. The British Railways Board

took actions to cut costs further —including a cut in investment, and an increase, from £38m to £45m, in the value of fixed assets-mainly property-to be sold by March. But it still forecast that it

exceed the limit by about £68m despite the fare increases that in November. Government

enables BR to borrow an extra £40m. But, it could still leave BR exceeding the finance limit by £28m. Mr. Fowler said his action

recognised British Rail's problems, and would help it avoid Continued on Back Page

National Express reduces fares. Page 6

GKN warns on jobs as profits dive

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

group in the UK, yesterday announced a 58 per cent fall in pre-tax profits to £22.4m in the

six months to June 30.

The first balf profits fall and the resultant cut in the interim dividend caused a severe knock to share prices. From a relatively buoyant market earlier in the day, the FT 30-Share Index closed 3.1 points down on the day at 497.7. GKN shares lost

30p, closing at 198p. GKN warned yesterday that another 2,000 jobs will have to go in the UK, bringing the total jobs lost in the group to 10,000 in the current year, in pursuit of its policy of "concentrating increasingly on the improvement or elimination of upprofitable activities in the UK." This will take GKN's UK payroll down to 59,000 by the end of the

The costs of redundancy will be at least £9m, to be charged against full year profits, and termination costs will total about £20m, to be included as

an extraordinary item. The effect will be a signifi-cantly lower profit for the second half, making a substan-

tial drop on last year's £101.4m, GKN's UK profits have borne the full brunt of the recession. and the steel strike earlier this year. Virtually all pre-tax profit came from overseas activities, the UK operations making no contribution overall after interest charges.

The trading surplus on UK operations was £11m, against £36m in the first half of 1979. In contrast, the overseas operations have held up fairly well, particularly on the continent,

where the trading surplus in-creased from £20m to £23m. The tax charge of £20.2m on profits of £22.4m is attributed to a high proportion of over-

GKN, the largest engineering seas tax and to the need to write off advance corporation tax. The result is that earnings for the period amount to a deficit of £500,000.

Mr. Trevor Holdworth, chair-man of GKN, said yesterday: There is nothing that can compare with this recession. We cannot create markets for ourselves when so many of our customers are operating at such low levels."

He believes the steel strike in the first quarter of the year masked the severity of the recession, so that the full force did not become aparent until

the second quarter. GKN, the largest steelmaker in the private sector, lost £2m on its steel operations against a trading surplus of £2m last year. Although its own plants were closed for only a relatively short time during the 13-week strike, it suffered considerable disruption in supplies from BSC

for its other activities. Although GKN has been fol lowing a plan to reduce its ex-posure to the UK market for several years, it is clear from these results that its overseas spread is still not sufficient to offset problems in the home market. Furthermore, in the U.S., it is still experiencing start-up costs on its first factory. which is making components for the Ford Erica.

The depressed state of the car industry in the UK—made worse by the rising tide of imported cars — has hit demand for all of GKN automotive components activities. In addition, the group is a major supplier of components to other automotive sectors in the UK such as commercial vehicles, tractors, off-highway vehicles, Results, Page 24; Tootal jobs

POOR RESULTS CONTINUE

ROWNTREE Mackintosh has reported a £5m fall in pre-tax profits to £4.3m because of falling volume in the UK and lower margins abroad. Page

The UDS group confirmed the squeeze on profits in the Righ Street by managing only £2m at the half-way stage, before tax, compared with last year's £10m. Page 24.

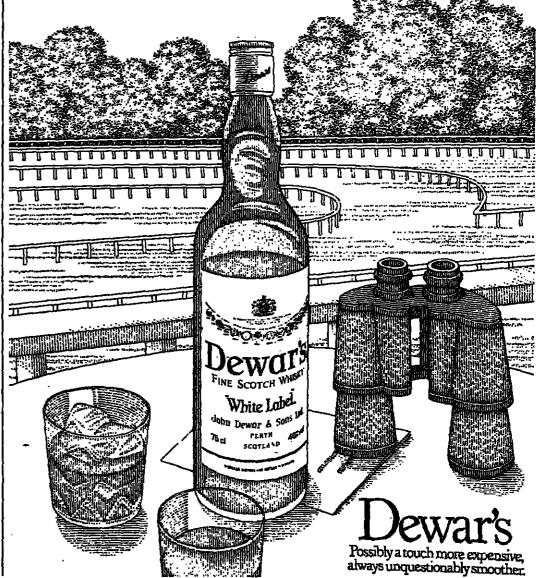
The news was uniformly dismal from the engineering sector. Although Hestair's heavy vehicle sales picked up with a consequent recovery in interim profits from £55,000 to £453,000 there is no dividend only a warning that the second

half looks grim. Page 24. Delta Metal's figures for the first six months look respectable at £13.5m against £14m last year but they hide a ep fall in the quarter. The Board has opted to maintain the dividend.

The same decision has been

reached at Booker McConnel where the engineering divisions bore the greatest responsibility for the slump in interim profits from £9.3m. to £4.4m. The news has not, however, inhibited Booker from huying Gallaher's grocery business for £8m or so. Page 25.

Buying Dewar's is like investing in a yearling and discovering it's an Arkle.



Emigration

from Soviet

Union slows

THE RATE of Soviet Jewish

emigration, long regarded as

one of the principal baro-

meters of U.S.-Soviet relations.

has slowed drastically in the past few months amid signs

that the period of relatively

free Jewish emigration may

be coming to an end.

In the months of July, August,

and September, Jewish emigration has proceeded at

a rate of about 1,000 persons

per month, compared with almost 5,000 Jews who left the Soviet Union in October,

steady fall in the emigration

rate began in January, after the invasion of Afghanistan,

when 3,721 Jews were allowed

to emigrate. By May the total had fallen to 2,100 per-

sons, and it fell further to 1,500 persons in June and 700 in July when the Soviet visa

office was said to be pre-occupied with work connected

with the Olympic Games.

The end of the Olympics in

significant increase in emigra-tion, however. About 1,000 Jews emigrated that month,

and 300 a week are leaving

It is now expected that no more

than 20,000 Jews will leave the Soviet Union this year

compared with 50,000 in 1979.

when the Soviet Union still

hoped for trade concessions

in apparent moves to cut the

flow of emigrants, the Soviet

authorities have introduced a

number of punitive bureau-

cratic practices which reduce the chances of gaining per-

mission to emigrate while greatly increasing the risk

and difficulty of applying.

The Soviet authorities insist that

a would-be emigrant should

present an invitation from "relatives" in Israel, who in

most cases do not exist. When

applications to join these non-

this month.

from the U.S.

By David Satter in Moscow

W. German central bank cuts Lombard rate to 9%

BY ROGER BOYES IN BONN

reduced the Lombard rate from 9.5 per cent to 9 per cent, thus slowing down. easing somewhat the liquidity problem of the German banks. Th ereduction is the first movement, however slight, in the country's key interest rates

But the Bundesbank's central council has not changed the politically sensitive discount rate of 7.5 per cent—a post-war high—thus signalling its intention to maintain tight monetary policies, despite mounting pressure for a relaxation.

The move is in line with the Bundesbank's current philosophy, outlined again in its report this month.

On the one hand, it is determined to keep interest rates high to attract capital imports and finance its balance of payments deficit while at the same time keeping inflation under

TH E Bundesbank. West Ger- that banks have to be given

Herr Karl Otto Poehl, the president of the Bundesbank, has stressed that the Lombard rate — the ratae at which the Bundesbank lends funds to banks against securities — is only one of several instruments exchange markets. to control liquidity.

In July, the central bank announced that around DM 5bn made available against securities would be offered for 25 days at an annual interest rate of 9, 2per cent-that is, substantially below the then Lombard

The problem for the Bundesbank has been how to maintain a balance between its twin aims tight monetary control and adequate liquidity for the banks. tionally the gloomiest of Ger-The trades unlons and some many's economic forecasting Social Democrat politicians have bitterly criticised the high interest rates, claiming that they were effectively creating unem-On the other hand, it is aware ployment and stifling growth.

The Bundesbank, however, many's central bank, yesterday sufficient liquidity, especially at described its action yesterday a time when the economy is as "a degree of relaxation." and as such it was welcomed by both Herr Hans Matthoefer, the Finance Minister, and the Federation of German Industry. The reduction in the Lombard rate appeared to have little effect Frankfurt

> None the less, the fact remains thta many politicians would have been happy to have seen the Bundesbank go fur-ther along the road of easing interest rates. Herr Wolfgang Roth, an economics spokesman for the Social Democrats, yesterday called for the Bundesbank to follow up "this modest step" with further action.

The Kiel Institute, tradibodies, stressed in a report issued yesterday that "the underlying conditions for a cyclical upswing have continued

'will not include know-how'

French Government officials. The officials confirmed that the Government exerted pressure on Creusot-Loire, the main company involved in the French contract not to take over the project in its original form.

1978 had been an unsuccessful bidder for the steelworks at Novolipetsk, south of Moscow. was contacted by the Soviet authorities soon after the U.S. embargo on sales of high-technology equipment to Russia, drawal, the officials added. imposed at the beginning of the year following the invasion of

THE RECENT £125m French on corresponded to the share informed about the proposed contract to sell steel-making that Nippon Steel, the Japanese deal before the French Governthe cancelled contract. This, they said, involved supplies of

> of the total value of the project. Armco's role, which was essentially the transfer of knowhow, had been taken over by the Russians, who would build their plant using their own alloy steel technology. officials said. The plant is due to have an annual capacity of 480,000 tonnes of steel and to start production in 1985.

Nippon Steel was understood to have tried to get back into the project after Armco's with-

They said that " no sensitive " material would be transferred to the Soviet Union under the contract.

filed a report with the public Van Doorne was named by report, the company had prosecutor alleging possible the weekly magazine of the delivered the specially hard-

uranium enrichment capacity.

were standard products not covered by export restrictions

managing director, but it is up released earlier this year was a standard product used by the

to the public prosecutor to strongly critical of the supplier company in vehicle transmission

decide whether an offence has of the steel tubes, but did not systems and many other appli-

Van Doorne admitted supply-

Pakistan to develop its own said.

centrifuge rotors, but said they managers

MAIN GOLD

1979

PRODUCERS

Catholic College of Technology ened pipes to Pakistan between in Tilberg, where the company 1976 and September 1979. The

has its factory, as the supplier final delivery was made despite

of components which are repeated verbal and written believed to have allowed warnings not to," the report

ing the components consisting installation used to enrich of 6,500 steel tubes used as uranium, and the company's

n "sensitive" material. ing the pipes but said they were A Dutch Government report made of ordinary steel and were

ment gave its "green light."

private-sector company belong-ing to the Empain-Schneider group, financing for the deal was dependent on approval by Government agencies including Coface, the export credit guarantee board. The Government's leverage on the group is increased by its key role as a client—Creusot-Loire's subsidlary. Framatome, supplies France with its nuclear plant. Three of the other four companies involved in the deal

belong to the same group. Communist-led CGT d'Estaing of bowing to pressure

The French have let it be understood that their agreement to releasing the refunds from the EEC budget, currently the subject of a price-dure wrangle in Brussels, is closely linked to such a Dutch company faces complaint British pledge.

> breakfast meeting at the Elysée Palace between President Giscard and Mrs. Thatcher. M. Raymond Barre, the French Prime Minister, and the two foreign ministers will join the talks

SOVIET SALES TO

SWITZERLAND (Annual Amounts)

OPEC AFTER THE VIENNA MEETING

Ministers optimistic on indexation

BY RICHARD JOHNS IN YIENNA

early November in Iraq will, with the exception of Iran. approve a ministerial report on the organisation's long-term strategy. Sheikh Ali Khalifa al-Sabah,

Kuwait's Minister of Oil, predicted that 12 of the 13 members would agree on its content, including proposals for long-term indexation of oil prices. These could then be formally approved by the OPEC summit. Even in the almost certain absence of Iran, which is

Giscard

pledge

seeks EEC

President Giscard d'Estaing

has made it plain that he does

not want today's meeting in

Paris with Mrs. Thatcher, the

British Prime Hinister. to

turn into yet another Anglo-French quarrel about EEC

Indeed, if the French Presi-

dent's spokesman is to be

believed, Mrs. Thatcher will

find it difficult to have any

real discussion about current

disagreements within the

These questions could be settled only at meetings of the

Nine, and would therefore

not be dealt with in depth,

Thatcher would have the opportunity of setting out her

Government's position on

European problems, but this

would not be followed by a

If Mrs. Thatcher was

hoping to make progress in

Paris towards finding a solu-

tion of the latest differences

over payment to Britain of refunds out of the EEC

budget; she will probably be

As things stand, President

Giscard would like Mrs.

Thatcher to give a clear

undertaking that Britzin will

not block farm price rises

fundamental discussion.

Community.

disappointed.

next year

Organisation of Petroleum Ex- conflict with Iraq, the report able to Saudi Arabia and Iraq, prepared to agree to such a porting Countries (OPEC) re- could be formally adopted currently the main powers scheme if other members make main optimistic that the heads According to procedural rules, within OPEC. Agreement was a binding commitment to obof state meeting scheduled for OPEC requires unanimity for its thwarted basically by Iran, serve a moderate long-term decisions, but its statutes make which is at loggerheads with pricing system. no mention of summit meetings. Iraq and does not want prices

to meet on October 14, probably at all. in London or Geneva, in another attempt to reach agreefor automatic oil increases.

Compromise was reached at the three-day meetamendments proposed bу ported by Libya. These were overall output by members.

MOST MEMBERS of the engaged in an armed border also likely to have been accept-

ment on the indexation formula indexation mechanism which Ecuador, in the hope of resolvformula indexation mechanism which ing this front.

price had been recommended by a ing this front. "Triminsterial" term strategy, chaired by OPEC conference like the one Sheikh Ahmed Zaki Yamani, in Vienna will take place prior Ministerial committee on longing in Vienna on the basis of the Saudi Minister of Oil. An important proviso was accept-Algeria and apparently sup ance of a programme to control

Other differences, concerning OPEC's Oil Ministers are due to be restrained by any system the scope of OPEC's aid programme remain to be resolved. Algeria put forward ideas for Finance Ministers are to meet a slight modification of the early next month in Quito.

to the Baghdad summit.

Feature, Page 22 Irau-Iraq border clash threatens West, Page 3

Turkey's generals sworn in

TURKEY'S MILITARY com-

manders yesterday swore themselves in as the country's new rulers. At the last minute they dropped from their oath a specific promise power to a new Parliament, but they repeated their commitments to human rights and democratic principles.

The ceremony was followed by an exceptional meeting of the self-proclaimed "National Security Council," made up of the armed forces' commanders, and the country's other top officers.

It was the first time since last Friday's coup that the Council had met formally with the men on whom they rely for power. The meeting was to agree on the Cabinet which is to be announced shortly, to see if any officers should be purged, and to set the course of the nev regime. The regime gave a taste of

its character at the grandiose ceremony in the building where Parliament worked until it was abolished last week. Around 60 civilians faced an

array of 190 officers, uniforms and ceremonial swords as Gen. Kenan Evren, the military ruler, tional sovereignty of the nation

virtually closing the city's urban

railway network.

TURKEY'S LEADERSHIP—from left, General Nurettin Ersin

(head of ground forces), General Tahsin Sahinkaya (head of the air force), Admiral Nejat Tümer (naval chief), and General Sedat Celasun (head of the gendarmerle).

Some 3,000 West German fully-screened East German

citizens work for the East railwaymen were brought into

founder of modern Turkey, and on of "justice, law, human rights Republican principles." and my conscience."

towork fort he integrity of the fatherland, "for the uncondi-

Strikers close Berlin railways

A SPREADING strike by West their own representatives to the as well as rail services

Berlin employees of the East East German Government trade

mail trains running between want pay rises, longer holidays

West Germany and West Berlin, and other social banefits.

said he would apply the prin- andf or the establishment of ciples of Kemal Ataturk, the new constitutional order based democratic and secular But a direct reference to

He then swore on his honour . restoring power to a new Parliament which had been contained in a midday draft of the oath

There was no sign of East

immediate retaliation from the

security police. Nearly 100 care-

existent relatives were refused in the past it was on the grounds that the applicant knew "State secrets." Now the number of refusals is increasing rapidly but the reason being given is that the invitation does not come from

a close enough " relative." lews in the Ukrainian city of Kharkov have reported that emigration from Kharkov and other Ukrainian cities has

almost completely stopped and that virtually all applications are being refused as of September 1 in Kharkov. the visa authorities began issuing "final refusals" to prospective emigrants. In the past, even when a person was refused permission to emigrate repeatedly, he retained the ability to re-apply at six-

In many Ukrainian cities, local officials are refusing to hand out application forms and in Moscow invitations from Israel are not being delivered through the Soviet post. An invitation from Israel must

be presented to the Soviet visa office in the envelope in which it was sent, in order to prove that it arrived through the Soviet post. It is therefore possible to cut off the flow of applications by refusing to

French-Soviet steel contract

BY DAVID WHITE IN PARIS

equipment to the Soviet Union partner, was to have had under excludes the share that the U.S. Armco group was to have taken under the original but cancelled equipment and machinery, U.S. Japanese deal, according to making up about three-quarters

The French group, which in

The officials said that the contract that had now been agreed

infringement by the automobile

components group. Van Doorne

Transmissie, of export controls

News of this move follows an

allegation earlier this week that

Van Doorne had supplied steel

tubes, which could be used as

centrifuge rotors in uranium en-

The economic investigations

department of the Economics Ministry has filed a complaint

against the company and its

richment plant, to Pakistan.

on sensitive materials.

BY CHARLES BATCHELOR IN AMSTERDAM

DUTCH INVESTIGATORS have spokesman said yesterday.

been committed, a ministry then name the company.

Although Creusot-Loire is a

The U.S. authorities were from the U.S.

union has claimed credit for pulling the Soviet deal out of the fire after protesting about delays in pegotiations and accusing President Glscard

According to the Government

"The tubes were recognisable

were apparently

as parts for an ultra-centrifuge

aware of this, the report said

Van Doorne admitted deliver-

The talks will open with a

Walter Ellis reports from Strasbourg: The European Parliament yesterday declared its interest in the disbursement this year of £760m-part of Britain's EEC refund. MEPs voted by a clear majority yesterday to incorporate Britain's refund within that section of the annual EEC budget over which the Parliament has some control, and each payment to the UK could now be preceded by debate in Strasbourg.

The railwaymen, inspired by German Reichsbahn which, West Berlin yesterday as strike the successes of Polish strikers, since 1945, has run the entire breakers to maintain services on

German Reichsbahn state rail- union of which they are auto- German railwaymen joining the

way has halted all freight and matically members. They also strike, which would bring

Danes lower discount rate to 12%

per cent to 12 per cent with tion. effect from today, the Central Bank announced. The rate was raised from 11 per cent to 13 per cent in February.

The bank said the reduction was justified by stability in cent. exchange markets and the pros-pect of a lower current account have hit the building industry deficit

DESPITE the cloak of

mystery which covers Soviet gold sales, the organisation

which locates, exploits and

sells this most glamorous of

metals is, on the surface at

least, as prosaic as any other part of the Soviet industrial

hureaucracy, writes Anthony

If the Soviet Union does have a "Mr. Goldfinger," em-

powered to deal discreetly be-

hind the scenes with his South

African counterparts or arrange direct sales to oil

Sheikhs, his identity is a

Ask a Swiss banker where

to start the search, however,

and the answer is likely to be

closely guared secret.

THE DANISH discount rate deficit for the remainder of the severely. Housing starts so far was reduced from a record 13 year and a lower rate of inflawas reduced from a record 13 year and a lower rate of infla-

Private banks are expected to reduce their interest rates. Average lending rates, including commission, are now 18 per cent and deposit rates 15 per

Soviet 'Goldfinger' proves elusive

No. 1 Schutzengasse, in the heart of Zurich's financial and

banking district around the Bahnhofstrasse.

wholly-owned Soviet hank set

up in 1966 ostensibly to foster

Swiss-Soviet trade, but also, it

is widely believed among

Zurich bankers, to keep a close eye on the gold market and channel Soviet gold sales

With a balance sheet of SwFr 795m (£203m) last year

foreign hank in Switzerland, ahead of such capitalist beavy-

weights as Chase Manhattan

or Chemical Bank. Three

was the sixteenth largest

Wozchod Handelshank,

This is the home of the

have agricultural building and factory building starts.

Denmark has consistently followed a high interest rate policy since the mid-1960s to attract private capital imports to help finance the external

members of the board are

Swiss, only the fourth man, Mr. M. Samsonov, is Russian.

nationality alone that Mr. Samsonov is "Mr. Gold-

finger." The man or men,

engaged in the most sensitive

operations would almost certainly hold much less

exalted formal positions, as

they do in embassies and

Strategic gold marketing

decisions are almost certainly

a function of a small group of

specialists in Moscow itself,

in liaison with the State Bank

and Ministry of Foreign

trading organisations.

sume from his rank

But it would be rash to pre-

David Marsh looks at Moscow's enigmatic role in Western gold Markets and reports that a Soviet-South African sales link could develop

Moving in more mysterious ways than ever

THE SOVIET UNION, the most enigmatic participant in the international bullion market, is not only a past master at keeping its cards close to its chest. It is also beginning to find that it holds all the aces. By sending its tanks into Afghanistan last December, the

world's No. 2 gold producer itself provided the main impetus behind the January surge in the bullion price to \$850 per ounce. Since then, the Russians have held back supplies from the Western gold markets in an apparently deliberate attempt to hold up prices. This has been one of the main factors behind recent fresh gains in the bullion price to a peak last week of just under \$700 per ounce. Believing that gold re-monetis-

ation provides another basic support for the price, the Soviet authorities have been expressing discreet enthusiasm for the moves afoot in the West to rebuild a role for gold in central bank settlements through the European Monetary System. Now there are tentative indications that as part of its efforts

to improve control of prices, Moscow may be interested in some kind of informed marketing collaboration with a country that at first sight looks a strange political bedfellow-Right-wing South Africa. the world's premier gold producer.

Such a link might not, in fact, be so odd. The two countries already co-operate informally in selling diamonds to the West. As the two main producers of platinum, there have also been rumours of an informal joint strategy for sales of this metal

Any kind of collaboration over gold sales would add a new dimension to the gold market. But both countries are already following broadly similar poli400. Ż 200 4

COLD

switched to a policy of withholding quite considerable amounts in order to boister

Details about the Soviet Union's gold sales policy have always been a well-guarded Western analysts in touch with Moscow say that only about two or three people in Russia itself enjoy access to full information about annual production and sales.

year has presented the gold ally entered the market to buy market with a bigger puzzle than gold in order to bolster prices. normal. According to statistics issued by the customs authori- provided Western gold analysts

proved. South Africa now no seven months this year have longer needs to sell all its gold fallen to only about 5 tonnes production on to the market at from 214 tonnes in the whole once. In recent months it has of 1979, and 401 tonnes in 1978.

at a London bullion house, a small amount of supplies this the Russians are moving in more mysterious ways than they used to."

The Swiss figures show that the last delivery of Soviet gold to Zurich was made in January. They also reveal that the Russians withdrew about 3 tonnes of gold from Switzerland in April. This adds credence to some bullion dealers' sugges-The Soviet sales strategy this tions that Moscow has occasion-

The Swiss figures have long

national trading centre. Some gold analysts in London

and Zurich believe that the According to one top dealer Soviet Union has ben diverting year to other markets, possibly New York. There have been constant rumours that Moscow has entered into bilateral deals say that Bulgaria may be runwith oil producing countries, which have been heavy buyers of gold during the past 12 months. But analysts with close links to the Moscow marketing authorities doubt whether this has been the case.

There have also been indications that some Soviet gold has been coming on to the market through other East bloc countries. Bulgaria, not known to be ties in Switzerland—the country with their main indication of a gold producer, has exported which acts as Moscow's main Soviet marketing strategy. It is more than 22 tonnes of gold to

cies. With its balance of pay- outlet for sales to the West- thought that hardly any Soviet Switzerland so far this year, ments position now much im-proved. South Africa now no seven months this year have London, the other main inter-tonne last year and hardly anything during the previous two

> Some dealers speculate that Bulgaria may have received Russian gold in payment for exports to Moscow, and is now selling the proceeds for hard currencies in the West, Others ning down its gold reserves.

> The consensus in London and Zurich is that the Soviets are deliberately holding back supplies in anticipation of still higher prices later on this year. Credit Suisse, for instance, expects that Soviet sales to the West this year will still be around 115 tonnes.

Because of higher prices, this would probably net the Soviet currency deposits with Western authorities about the same amount of foreign exchange as increase in gold sales.

last year's sales.

through it.

the Soviet Union's recent finan-cial aid for Poland may make a resumption of sales more likely over the next few months. But a chief Soviet priority looks likely to remain the re-building of its gold reserves, which are thought to have been depleted during the large sales of the

able to add production to reserves this year partly because it has improved its other hard currency earnings through the higher price of oil sold to the West. Any additional burdens on the Soviet balance of payments caused by its bailing-out action for Poland are probably more likely to be met through a reduction in Moscow's foreign banks than through a sharp

Moscow has plainly welcomed Some gold-watchers think that

previous few years. The Soviet Union has been actions among each other.

the past 20 months.

the moves in the West to return gold to greater monetary prominence in international financial arrangements. The European Monetary System, set up at the end of 1978, has effectively given gold a new monetary role by allowing EEC countries to make far greater use of their bullion reserves in order to settle currency intervention debts and make other trans-

metal as much as fear of " World War III " that has accounted for the trebling in the price during

Soviet commentators have voiced their approval on several occasions. An article signed by A. Dostal in the May edition of the economic journal "Economic centres:

Science," wrote warmly of the way that the EMS was helping Western Europe "to build a new gold-based monetary

system. South Africa, too, has not been slow to recognise the benefits for producers of a return to gold in an important —if still informal—role in the international monetary system. Could the stage be set for some kind of loose collaboration between the two major pro-ducers over the way that gold is channelled to the West? This question has tantalised

the gold market for years. Now that both countries' improved external payments positions allow them the option of with-holding gold from the markets, such co-operation is at least theoretically possible. One recent event has renewed

speculation that some sort of loose marketing agreement may eventually be worked out. The gold market has learnt that officials of Consolidated Gold Fields, the London-based mining finance house in which De Beers and Anglo American Mining Corporation own significant holdings, have been in contact with the Soviet authorities with a view to possible co-operation. Both the South Africans and

the Russians may be interested in maintaining similar sales policies to keep prices as stable According to some London bullion dealers, it has been this levels. According to a key Soviet-effective re-monetisation of the watcher at one London bank: "If they simply agreed that no one rocked the boat, that wouldbe a big step for the gold market."

FINANCIAL TIMES, published daily except Sundays and bolidays. U.S. subscription rates \$365.00 per annum Second Class postens paid at New York, N.Y., and at additional mailing

Border clash that threatens the West

THE FIGHTING between Iraq and Iran is potentially more explosive and certainly more threatening for the economies of the industrialised world than most other historical bor-

der squabbles between Moslemcountries in the Middle East. They are both major oil producers, and the area in contention is at the heart of the producing and shipping region.

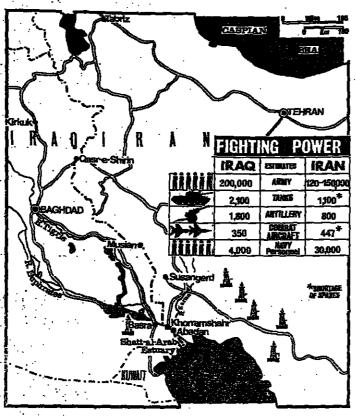
The decision by President Saddam Bussein of Iraq on Tuesday unliaterally to abrogate the 1975 agreement with Iran on the vital Shatt Al-Arab waterway, has been greeted as "a declaration of war" by officials in Tehran

Although the timing has caught Western diplomats by surprise, it can be seen as part of President Hussein's longerterm objective of emerging as a major new force in the Arab world, while also seeking to replace Iran as the dominant power in the Gulf.

The pace of development has been speeded up by the vacuum left by President Anwar Sadat of Egypt when he signed the peace treaty with Israel and the bitter hostility that quickly developed with the revolutionary regime in Iran.

The Ba'athist regime of President Hussein is predomi-nantly of the Sunni sect of Islam and he was bound to regard with deep anxiety any attempts by Iran to export its revolution, based on the Shi'ite sect, to his own country considering Iraq's 50 per cent Shia

At the same time, President Hussein is trying to establish his own credentials, having only taken full official power 14 months ago. Although the regime's "strong man" for several years, his action on the Al-Arab removes what has long been seen in Baghdad as a stain on



Shatt Al-Arab, where the to it — the products terminal waters of the Tigris and is at Bandar Mahshahr about 20 Euphrates come together and miles further east. The crude flow down into the Gulf, is terminal is at Kharg Island, in Iraq's only outlet to the sea. On one side of the 100-mile from Iraq. stretch of water is Basra, Iraq's major port and on the other is Abadan, the site of Iran's largest refinery. At the mouth of the estuary, both countries maintain oil terminals.

The refinery at Abadan, pro-cessing more than 600,000 barrels a day, remains the most exposed target. It stands right on the estuary which is only a couple of hundred yards wide of the Ottoman Empire when that point.

Tankers do not come directly

of the Ottoman Empire when Turkey controlled both banks.

For much of the period, Iraq

exercised sovreignty over the entire estuary, but then at the OPEC summit in Algiers in 1975 was eventually forced into a deal with the late Shah of The basis of the deal was that

the Shah would drop his support for the Kurdish rebels struggling for independence from Iraq, and in return the border between the two countries was to run down the centre of the waterway.

As a result, the costly Kurdish rebellion was put down but at a price to national pride that can now be reclaimed from a greatly weakened and strife-ridden Iran.

Weakened

The authorities in Baghdad clearly hope that Iran's weakened condition makes it unlikely that Tehran will risk full-scale military confronta-tion. Iraqi forces have in the past weeks pushed at least eight miles into Iran along some parts of the border and appear to have resisted all attempts to dislodge them.

The substantial build-up of forces in Iraq and the purchase of ever-more sophisticated weaponry from the Soviet Union and Western Europe has been paralleled by a simultaneous rundown in the equipment and readiness of mainly U.S.-equipped Iranian

Military analysts believe that Iraq could confidently expect to win a battle between the armies and air forces, but the outcome at sea would be much less certain due to the relatively limited effect of the Iranian Revolution has had on its naval

Should Iran seek to challenge Iraq in the Gulf by perhaps interfering with its shipping, then the dispute could national event that would en- have it replaced by Algeria. i sign the Nuclear Non-Prolifera- where it will be used.

world recognition.

President Saddam Husseln

quickly take on a more alarm-

ing aspect from a western

Equally, the Soviet Union

will be watching the situation

heavily on the pipelines through

During last year's brief honey-

moon with Syria, the pipeline was reopened but the collapse

way to renewed bitterness that

might at any time lead to the

border being shut again.

Al-Arab estuary.

Turkey and Syria.

escalating the conflict at this moment are only matched by those of predicting the response from the highly volatile authorities in Iran, a situation which must cause alarm to both the superpowers and the world's main oil consumers.

creased tension is bound to be the attitude of the local majority Arab population in Khuzestan province who are resentful towards the Persians who have come to live in the area as the oil industry has developed.

Bitterness

Since the Iranian revolution, Iraq has tried to increase the political awareness of this Arab population. Iraqi-trained Arab separatists have been res-ponsible for the spate of pipe-line explosions since February last year, which although hardly affecting either crude pro-duction the work of refinery or

closely both because of its strategic importance and also because it has base facilities at Qaw at the mouth of the Shatt and Iran also spilled over into this week's OPEC meeting in President Saddam Hussein is also risking a great deal. Should Iranian military action succeed next month. in limiting his prime oil outlet, he would be forced to rely more

gest stumbling block to agreement on a long-term production and pricing policy and has claimed that OPEC, with Iraq as one of the main culprits, has been substantially overproducof plans for union has given ing.

The Iranian anger has un-doubtedly been fuelled by the

hance his much sought-after

The difficulties of assessing ar. Hussein's motivation in

A major factor in any in-

have been a constant irritant.

The bitterness between Iraq Vienna and threatens to cause continued difficulties for the summit scheduled for Baghdad

Iran has emerged as the big-

THE DISCLOSURE that the late the veteran members of the Mr. Sanjay Gandhi's cremation . Congress whom. Sanjay had platform has been demolished relegated to powerless positions

Mrs. Gandhi signals

end of 'Sanjay cult'

on the instruction of Mrs. Indira Gandhi is seen by sections in the ruling Congress (I) Party as an end of the so-called "Sanjay cult."

It also symbolises the change being initiated with the induction of Sanjay's elder brother, Rajiv, into politics. Rajiv is now assisting his mother, and many politicians wanting to meet Mrs. Gandhi have to see him first.

Many think that Rajiv is being groomed as Sanjay's successor but he has said that he would rather start from scratch and come up in the Congress (1) in the natural

Rajiv is known to be a Cabinet are ex-believer in a reconciliation with announced soon.

in favour of his younger followers in preparation for his take-over of the party. Mrs. Gandhi is worried about

saddled with after Sanjay's death. For example, she has as some of her Cabinet followers, nominces of Sanjay whom she does not know well. The posi-tion is the same in many Congress-ruled States,

Indications are that Mrs. Gandhi, possibly on Rajiv's advice has decided to bring the older members of the Congress back as ber advisers in a bid to improve her image and to hasten decision-making at the political level. Changes in her Cabinet are expected to be

India to build 7 heavy water plants by 1986

INDIA HAS decided to establish tion Treaty. seven new heavy water plants by India is now planning to 1986, in a bid to ensure supplies obtain fuel like enriched for the country's fourth 400 mw uranium from internal sources nuclear power station near and has decided to become self-Madras.

The decision suggests that India intends to become self- Both will ensure that foreign reliant in heavy water, to pressure no longer holds back ensure there are no further the generation of nuclear energy impediments in the way of and installation of new plants. reaching the target of installing The Madras plant needs 240

ing the nuclear generation water plants already working in Mr. Hussein also has to assess
the possible impact on next months OPEC summit due to be held in Baghdad and his role should be the open the possible impact on the possible impact of the possible impact on t as hos: for the 1982 Non- Iraq eventually managed to suppliers like the U.S. and Aligned summit, another inter- force Iran out of the chair and Russia after India's refusal to

sufficient in heavy water, which is essential for cooling reactors.

a nuclear generating capacity tons of heavy water annually of 10,000 mw by the end of the and this will be produced by the seven new plants. These are The progress towards achiev- in addition to the five heavy only after insisting on inspec-

ASEAN likely to launch new bid for talks on Kampuchea

BY DAVID HOUSEGO, ASIA CORRESPONDENT

A FRESH attempt to launch an credentials committee of the KARESH attempt to launch an cretening as committee of the international conference on deposed regime of Pol Pot as representing Kampuchea. Vietby the Association of South East nam and the Soviet Union has Asian Nations (ASEAN) during been canvassing for the accept the present meeting of the UN ance of the Heng Samrin General Assembly General Assembly.

The move, of which Western The main debate on Kam-Indochina.

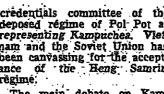
Vietnam has already indicated that it will be putting forward its own resolution on Kampu-chea to the Assembly. This will reflect the demands for a demilitarised zone between Thailand and Kampuchea, coupled with direct negotiations on the Cross have been running at an border conflict that were put annual rate of \$500m, repreforward in a joint declaration by the Foreign Ministers of Vietnam, Laos and Kampuchea,

in July in Vietniane. The so-called Vientiane declaration angered Thailand and its ASEAN partners as deflecting attention from what they see as the main issue in Indochina-namely Vietnam's invasion and occupation of Kampu-

The ASEAN states were even more exacerbated when they saw Dr. Kurt Waldheim, the UN Secretary General, whose good offices they had invoked in last November's General Assembly debate to seek a political solution in Kampuchea, apparently supporting the Vietnamese.

 Dr. Waldheim lost patience with ASEAN's attempts to press for UN observers on the Thai-Kampuchean border against the obstacle of a potential Soviet veto. He also seemingly saw and finding an acceptable head the Vietnamese proposals as of government in Phnom Penh. closer to the type of UN media. In apparent preparation for tion that might eventually

The first round in this year's skirmishing at the UN seems for a negotiated settlement, could pave the way for an interlikely to go to the ASEAN Premier Zhao Ziyang recently nationally acceptable govern-states with acceptance by the declared that a Vietnamese ment.



diplomats have been given puchea is, however, likely to be notice, is seen as an attempt one of the most sensitive of the by the ASEAN states to recover session, touching as it does on the political initiative in the rivalry between the U.S., the diplomacy over the future of Soviet Union and China, as well as the issue of non-intervention which will be posed during the debates on Afghani-

The debate will also affect fresh piedges of aid to Kampuchea. Aid commitments through UNICEF and the Red senting a per capita contribu-tion of about \$100.

This is higher, as Western diplomats worried by in-adequate international monitoring of aid in Kampuchea, point out, than the GNP per capita of many countries.

China-the most active supporter of the Khmer Rouge-the U.S. and West Europe are all likely to support ASEAN in seeking an international conference. There are few hopes. however, that Vietnam would countenance it at this stage The West parts ways with China, however, in not wanting an indefinite guerrilla war in Kampuchea because of the cost in lives and the embarrassment of being seen to condone the barbarism of the Khmer Rouge. But any political solution still depends on the unlikely pos- withdrawal from Kampuchea sibility of a reconciliation between China and Vietnam

and finding an acceptable head of Kampuchea.

The Chinese believe that



the Gulf, even further away

Khorramshahr, though,

still one of Iran's major ports,

handling the bulk of general cargo being shipped to the country. It is also a naval base

for a score or so of Iran's mis-

The dispute over the control

sile-firing fast patrol boats and

small coastal defence vessels.

of Shatt Al-Arab has raged in-

termittently since the collapse

Heng Samrin



was no longer necessarily a precondition for talks on the future

In apparent preparation for Vietnam's growing difficulties the UN debate, China has of in Indochina will eventually late shifted its stance towards force them to accept con-Vietnam's growing difficulties supporting ASEAN's proposals cessions over Kampuchea which

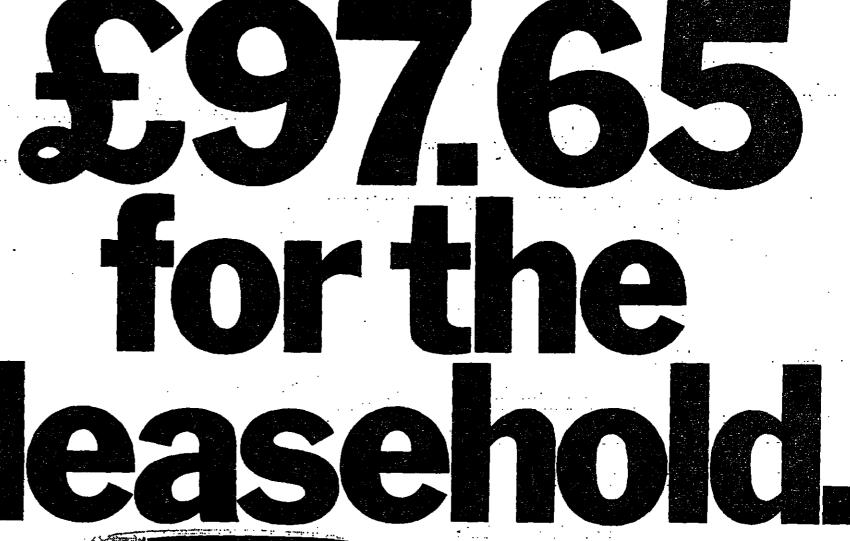
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THE PENN CENTRAL CORPORATION

By David Kelso McConnell September 19, 1980





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British Ministers take the Latin American shuttle

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

Opposition uniting in bid to oust **Pinochet**

By Hugh O'Shaughnessy in Santiago

FOR THE first time since the military coup of 1973 which General Augusto Pinochet to power in Chile there are firm indications that his main political opponents, the Christian Democratic Party. and the left-wing parties are attempt to end the dictatorship.

According to many political observers here the new moves have been triggered by the plebiscite staged by General Pinochet last Thursday which has been widely denounced by The Government claimed that 67.6 per cent of the 6.1m votes favoured a new constitution which gave Pinochet greatly increased personal powers and the option of continuing in power until the late 1990s.

Over the past seven years Gen. Pinochet has greatly benefited from the fact that the left wing supporters of the late President Salvador Allende, have been at daggers drawn with the Christian Democrats. Before all parties were formally banned at the time of the coup. Christian Democrats were the largest single political force in Chile. The Left place much of the blame for the coup at the door of the Christian Democrats and their former leader, former President Eduardo Frei.

Sr. Frei has however been increasingly critical of the dictatorship and at a crowded public meeting on August 27 he called for the immediate replacement of the regime by a civilian-military government which could lead the country back to democracy.

Sr. Frei's new combative attitude, and the common experience of organising resistance to Gen. Pinochet's snap plebiscite. has in the opinion of political analysts here brought about a new sense of unity with the Left, many of whose leaders here or in exile have supported Sr. Frei's call. .

Cuba to return hijackers

returning to the U.S. two men who hijacked an airliner from South Carolina on Wednesday, Brzezinski of, first, using Mr. instead of jailing them in Cuba. Billy Carter as a go-between Reuter reports from Havana. with a top Libyan diplomat in done with propriety to whether They were being handed back talks about the hostages in Iran everything was done with to the U.S. with the aim of and, second, of trying to deter competence." stopping air piracy that was the President's brother from threatening hundreds of inno- entering an oil deal with Libya cent people, the official news- in order to protect "the political

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IN AN unprecedented burst of interest in Latin America, the on Latin America is visible in British Government is sending ministers to the area these days at the rate of one every three

As government and business medium artillery and her supporting arms in an effort to obtain political and economic benefits in a part of the world which has never delivered the goods Britain hoped for.

The British interest attention reflect similar activity and attitudes throughout Western Europe. The Latin America or are on their trade. Despite the intense perway include Lord Carrington, the Foreign and Commonwealth Secretary, Sir Keith Joseph at Industry, Mr. John Nott at Trade and Mr. Peter Walker at Agriculture, Fisheries and Food. the Energy Secretary, is there.

As he wrestles with the colonial legacies of Belize and the Falkland Islands, Mr. Nicholas Ridley, the junior Foreign and Commonwealth Office minister charged with Latin American and Caribbean affairs, shuttles constantly back and forth. And a number of ministers of state and parliamentary secretaries in departments from energy to defence have just come back from visits or are on the point of

From May this year to December some 12 ministerial visits will have been completed, not counting trips by nongovernmental personalities like most of Africa or Asia. Lord Limerick, chairman of the British Overseas Trade Board. America is seen to be a store-

The same renewal of interest the rest of Europe. Swedish industrialists for instance, claim that there are so many Swedishowned factories in São Paulo that the Brazilian city is third reassess the prospects in the in importance, after Stockholm region, Mrs. Thatcher has and Gothenberg, for Swedish wheeled out her big guns, her industrial production. And Swedish business is keen for

still greater involvement in the

At the other end of Europe the Spaniards are trying to capitalise on their cultural and historical connections with Latin America and their prospective entry into the EEC to sell Spain to the Latin Americans as a key to European-Latin American sonal interest and enthusiasm of King Juan Carlos, the suc-cess of their initiatives is patchy. But they are not giving

The renewed business interest in the region is due to a com-bination of many factors. Latin disenchantment of many businessmen with trade prospects in the Middle East, particularly since the fall of the Shah. Exporters have realised that there is a limit to the goods the tiny populations of the Gulf states can import, despite their considerable oil-based riches. With more than 250m people Latin America is a much bigger market for imports than the Arab world. There is a growing understanding that Latin America is the most sophisticated mass market in the Third World, and is considerably closer culturally to Europe than

A further factor is that Latin



house of minerals, with a fifth as ripe for much more intensive reserves whose proven size is with much intensity. constantly increasing, have But Europe's expectations of encouraged the optimists among Latin America are tempered the energy experts, who see the

America has only to be prospected as thoroughly as its country's economy was growing northern neighbour to yield vast by more than 10 per cent a year, new quantities of hydrocarbons. now urgently need to find out

of the world's iron ore, a third agricultural exploitation. Out of of its copper and more than a the 575m hectares of cultivable third of its bauxite under its land in the region only 170m are soil. The Mexican oil and gas today being farmed, none of it

with anxiety. Storm clouds are region as a big new energy gathering over Brazil. Businessmen who a decade ago were These experts argue that Latin caught up in the euphoria of the "Brazilian miracle," when the what went wrong and why.

Bankers who have lent heavily to Brazil, exporters who see the Brazilian Government decreeing rapidly growing protectionism as it wrestles with a big trade deficit, and importers who wonder whether they can continue to rely on Brazil as a source of goods and commodi- Exports ties, are all anxious for facts to Imports

For the British the situation

in Brazil is particularly impor-

tant. There are a number of very large and old-established British investments in Brazil. British American Tobacco, for example, has a near monopoly of the cigarette market in that enormous country of 120m people. Brazil is Britain's best export market in Latin America and its biggest Latin American supplier. In the first seven months of this year Britain sold £157m worth of goods to Brazil and imported £235m. British banks are heavily committed irresponsible, and those who this involvement abating. there. Not least worrying is want more understanding shown Despite Lord Carrington's the state of the giant Acominas to Britain's biggest trading initial coolness to the Sandinista steelmaking project in the state major part in this multi-billion political strategy for the region dollar project, but now At the multilateral level in Acominas is going very badly the framework of the EEC, pro-wrong. Government austerity gress has been slow. The Euromeasures have meant there is not enough money to pay the workforce needed to assemble the heavy plant pouring in to Belo Horizonte from European suppliers; the scheme is falling behind schedule and some of the unassembled plant is in danger of deterioration

contradictory statements by of offices and bright young poli-

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PRINCIPAL MARKETS....

opinion is divided between those who want a hard commerment they consider protectionistic, spendthrift and

act independently in the region. West Germany is the West Euro- to cancel, probably for good, pean power most actively the long mooted scheme to loan involved in Latin America. The £20m to the Bolivian mining. three main German political parties maintain intimate relations with their confreres in Latin America through the polti-The British Government is in cal foundations they run. The

At the multilateral level in

ticians in many of the more important Latin American capi tals. The SPD President, former Chancellor Willy Brandt, is also president of the Socialist Intel national, which has been increasingly prominent in Latin America in the last few years The European Christian Democrats are also deeply

interested in the fate of their political comrades in Latin America. This interest is expressed powerfully through the World Christian Democratic

Union, based in Rome.
Nor do Europe's socialists
and Christian Democrats always see eye to eye with Washington over Latin American affairs. This year the State Department has been particularly upset by European political involvement in Central America and Puerto cial line taken towards govern- Rico which the U.S. perceives over- as meddlesome and muddle. headed. But there is no sign of

government which replaced the of Minas Gerais. British business, led by Davy United and political front too, and the EuroNicaragua last year, officials
Morgan Grenfell, have taken a peans have begun to work out a insist that Britain, like Germany now wants a much government in Managua. Conversely Britain acted very pean countries seem to want to rapidly when the military seized power in Bolivia in July;

When, the Thatcher Govern ment first took office a freshly appointed minister was heard to say he had to find an atlas a quandry about Brazil and its most important is the Social to locate Latin America. That impending economic crisis. Democrats' (SPD) Friedrich is not the sort of remark Mrs. This has been reflected in recent Ebert Stiftung, with a network Thatcher's men are making

Billy Carter hearings finish

THE SENATE panel investigating Mr. Billy Carter's Libyan links and the Administration's role in handling the affair has ended its public hearings, without apparently unearthing any skullduggery, though it has raised some issues of judgment.

The final public hearing on Vednesday was saved from total anti-climax by a sharp exchange between Mr. Zbigniew Brzezinski, the last witness, and Senator Strom Thurmond, a Republican member of the panel who openly questioned the National Security's Adviser's CUBA said yesterday it was motives in his two dealings with Mr. Billy Carter.

The Senator accused Mr. fortunes of the President.'

Mr. Brzezinski hotly denied such as the use of Mr. Billy that this was his guiding Carter as a diplomatic gomotive, calling the allegation between in a way that might "a highly improper insinuation, an innuendo not justified by the facts."

The exchange merely brought out the highly political nature of the whole inquiry. But though the Senate Committee is now to produce its report on October 4-just one month before the Presidential Election —it seems unlikely to provide Republicans with heavv political ammunition against the President.

Senator Charles Mathias, a moderate republican on the panel, commented yesterday: My concern has been shifting from whether everything was Officials like Mr. Brzezinski

admitted errors of judgment- at which he won renomination. and received outside help.

have led the Libyans to believe the President's brother had real influence in Washington was worth the \$220,000 (£92,000) they loaned himbut they have not admitted any

wrong doing.

The public hearings were held in the marbled Senate Caucas Room, the scene seven years earlier of the Watergate investigation. But there the parallel stopped. The hearings and much repetitious questioning that scarcely made front page news.
The October 4 report may

well include some sharp criticism of the Administration. But, with hindsight, the main effect of the whole affair may Carter's political fortunes a! and Mr. Benjamin Civiletti. the very rough ride just before the those responsible for the Attorney General. have August Democratic convention attacks were trained abroad

Guadeloupe bomb kills policeman

By David White in Paris

M. PAUL DIJOUD, Minister for France's Overseas Territories, said yesterday that the French West Indian island of Guadeloupe was "perfectly calm" after a night of explosions in which a police munitions expert was killed.

The officer died while trying to defuse a bomb placed under the wing of an Air France Boeing 727. Three other bombs went off, believed to be the work of the Armed Liberation Group (GLA), which has claimed responsibility for four other attacks since March this year.

M. Dijoud said that although France had no tangible ference, it was believed that

Liberal MPs back Trudeau

Minister, appears to be sure of and that the decision would be the support of the Parliamentary Liberal Party if he goes ahead unilaterally with his plan to Some ministers are known to give Canada a constitution of its want to do more than merely own. At present the British North America Act, passed by the UK Parliament in 1867, does service as a constitution for Canada.

Mr. Trudeau failed to convince the premiers of the 10 Canadian provinces at a conference last week to agree to the change. The situation was referendum in May, the Federal discussed by the Parliamentary Government has hinted that Liberal Party at a meeting after which the chairman, Mr. Jacques to entrench in the constitution a Bill of Rights, including return from its summer real pretty hawkish. The guys are guarantees for the language on October 15, as well as leg not satisfied with the way the rights of French Canadians in lation for a Canada-wide refer-

Mr. Jean Chretien, Minister minority in that province of Justice and the Cabinet Unilateral action migh tutional questions, said that the ment which would otherwise statements from their premiers.

PIERRE TRUDEAU, Cabinet would make a final Canada's Liberal Prime decision on what to do next, this week. Some ministers are known to

"patriate" the constitution meaning to ask the British Parliament to surrender responsibility for the British North America Act to the Canadian authorities. Since the

debate was revived by the defeat of the separatists in the Quebec

Unilateral action might in-



constitutional conference ended provinces other than Quebec, endum on constitutional reform.

up."

and the rights of the English If he decides on that course. Mr. Trudeau would face strong opposition from at least eight member responsible for consti- volve an early recall of Parlia- of the 10 provinces, judging by

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ENERGY REVIEW: NEWFOUNDLAND'S OFFSHORE OIL

BY PAUL BETTS

Constitutional row delays production

HOTEL accommodation is hard Canadian state oil concern, the these days. Unless booked well in advance, visiting business-men to the island's small capital oldest city which overlooks the Atlantic Grand Banks, are shunted off by friendly taxi drivers to the Travellers Inn. a noisy and scruffy lorry drivers' watering hole offering red light entertainment deep into the night. But even there a visitor is lucky to find a room.

As Canada's developing new oil frontier, St. John's is already

undergoing something of a mini boom. On the surface at least there are all the signs of growing prosperity on the island regarded only recently as "a poor bald rock" and whose remoteness and individuality has been the source of countless jokes including the old Canadian favourite that should the world end at midnight it would end at 12.30 in Newfoundland because of its curious half-hour time difference. St. Johns Airport is becoming

as busy as any major inter-national airport. A shopping mail, the largest east of Montreal, has now been completed. The harbour has never been so active since the last war. Rents and house prices have risen by more than 20 per cent during the last 12 months. Newfoundlanders who once left to find work on the mainland are coming back.

But all this activity in what has traditionally been Canada's poorest province -- with the highest unemployment and the in the country, with the highest

the Canadian Federal Govern- Brent Basin of the North Sea. ment, the provincial authorities Both are about the same size, and the big oil companies have some of the structures are simibeen locked in a bitter poker lar and some of the reservoir game with the stakes becoming rocks the same age. Moreover. increasingly large. For the first time, senior oil executives gave detailed indications of the potential of the offshore resources of the Grand Banks at a conference in St.

John's at the end of August.

According to Mr. Robert Meneley, of Petrocanada, the

to come by in Newfoundland east coast of Canada was now these days. Unless booked well on the brink of offshore development "unparalleled by anything men to the island's small capital that has gone before anywhere of St. John's, North America's In Canada."

Mr. Harry Carlyle, senior vicepresident (exploration) of Gulf Canada, one of the companies, together with Mobil — the main operator - and Petrocanada. active in the Grand Banks, said: "The Grand Banks could contain potential reserves of 10bn barrels and potential gas reserves of 15 trillion cubic feet. We believe individual oil accumulations of 1bn to 2bn barrels each are likely and we may in fact have discovered one such field at Hibernia." Promising gas finds have also been made off the coast of Labrador, although the Sable Island area off Cape Breton in Nova Scotia is expected eventually to become east Canada's main off-

The Hibernia field has so far proved the most encouraging discovery since exploration on the Grand Banks started in 1966. At the end of last year the discovery well — P15 — on the Hibernia structure some 200 miles off the coast showed pro-duction rates exceeding 20,000 barrels a day, making it the big-gest oil well in Canada. Two delineation wells nearby have also flowed encouragingly.

Comparisons

All this, the oil companies claim, could eventually add up to what has already been called lowest per capita earned income lyle said the Hibernia structure contained "a major oil accumubirth rate and the lowest death lation, probably in the billion rate—has been matched by a barrel range" and suggested that profound sense of uncertainty, a good analogy with the norfor since the discovery of oil. there Grand Banks area was the recoverable reserves in the Brent Basin are about 10.7bn harrels with reserves of individual fields about 3bn barrels.

Assuming the discoveries are commercial and can be brought into economic production, Mr. Carlyle estimated that production in the Hibernia structure



could begin at around 50,000 developing floating production b/d in 1985-86 if approval to systems would be huge. Indeed, go ahead with the development were granted next year. "And land are expected to be more with the potential we see in than double those of the North this basin, production could be Sea. up to 300,000 b/d in 1990." A

talks last weekend between the The issues included conflict-

and dispute has so far not affected the exploration phase, it would clearly affect development. "Because of the jurisdictional uncertainty and the tremendous cost of production facilities, the assurances of a fiscal regime which will warrant making these multi-billion investments." Mr.

environment — including the profits, development would be Moreover, the province asserts rights and the Federal regulations of icebergs, sea ice, unviable if the companies had that when it entered the Canations on oil development are at storms, high winds and swells to meet both claims at the dian Confederation in 1949, one the present time (ar less rigid). -can be overcome, the cost of

production costs in Newfound-At present, the oil companies

But at this stage at least, have had to accept two different it seems highly unlikely that sets of Federal and provincial production will begin shortly regulations. Of the two, the The collapse of the complex provincial regulations are Canadian Federal Government royalty of 10 per cent, plus an and the provinces to attempt to additional royalty running up to the country's constitu- 20 per cent on production of tion is likely to delay the over 250m barrels a year. eventual development of hydro- Although a 25 per cent mini-carbons lying off the Atlantic mum return on investment is allowed before royalties are province also ing claims by Newfoundland maintains the right to buy a Ottawa over jurisdiction 40 per cent working interest in and ownership of the offshore on all leases. All this would mineral resources of eastern effectively give the province Canada. The oil companies nearly half of the gross have emphasised that while the revenues from Hibernia.

For its part, the Federal Government under current regulations now under review would take a 10 per cent royalty plus corporate income taxes. The Federal regulations also require companies must have a 25 per cent Canadian participation in any development lease. But new regulations under consideration could increase

same time. And although this is condition was it maintained all than those of the province.

There is a further complica-

the oil companies are also bargaining for substantial increases in Canadian wellhead prices. At present the domestic price of C\$16.75 is less than half the world price. The province and the oil companies would like domestic prices to be lifted to about 90 per cent of the world

In the view of Newfoundland. the Federal concessions on juris-diction amount to no control at all for the provinces. Mr. Brian Peckford, Newfoundland's outspoken and abrasive Conservative Premier, said recently the province had no intention of compromising on what it sees as its rights. "If one of the two sets of rules has to be dropped, it will be theirs. Anyway, one does not negotiate a right."

the past three years the prodevelopment on the lines of his slogan " In our way, in our bay ' As Energy Minister in the previous provincial Cabinet, he forced oil companies to accept tough regulations. Apart from the basic issue of royalties. these regulations enable the province to set the pace of development, to give preference to locally owned companies and to give priority to local people for new jobs. The regulations also stipulate that once oil and gas production starts, the province will have preferential access to it for industrial purposes such as refining and petro-chemicals.

Precedents .

The advent of oil could now chance. according to Mr. Peckford. "And we do not in-

accepted by both Federal and its mineral rights. The Federal Provincial Governments, the Government, however, points to two parties at this stage appear in no mood to compromise.

accepted by both Federal and its mineral rights. The Federal Provincial Government, however, points to a 1967 Supreme Court decision which denied claims by British which denied claims by British Columbia to offshore rights. But tion. Both Newfoundland and Newfoundland says this is not relevant because British Columbia was never an independent dominion.

Mr. Peckford says he wants Newfoundland to reap the full benefits from oil at the same time as controlling development which could turn out to be a mixed blessing for the island. In a speech recently he said: "Even if there are commercial deposits, our future viability is not assured. We must wrestle: with its impact on our landand people. We must wrestle.: with its impact upon our most important resource - our fisheries." The province does not want a "boom-or-bust" situation to develop.

Indeed the province is deeply concerned about the effects of Mr. Peckford, a 38-year-old both for environmental and schoolteacher, has led during social reasons. Drilling, increased shipping traffic and posvince's campaign to control its sible oil slicks could all con-offshore resources and future spire to damage the fishing spire to damage the fishing ground while higher wages in new offshore oil businesses could severely drain labour from

the fishing industry. How does all this leave theoil companies? Senior officials of Mobil, the main operator in the Hibernia field, said they had so far managed to side-step the dispute by operating under . exploration permits from both level of governments. But they unambiguously indicated that. the company would not start . work on production facilities until the conflict is settled.

Indeed, Mobil appears to have gone a step further. It is threatening to take the Federal Government to court in an attempt to force the issue and get a final ruling. But on the give Newfoundland a new foggy island of Newfoundland chance, according to Mr. all this smells of tactics and strategy. The suspicion is that tend to waste it this time." His Mobil, by taking the Federal Carlyle said.

Although oil operators are confident that the problems of the Grand Banks physical the Grand Banks physical companies with reasonable back to the early 17th century.

Carlyle said.

Ciaims to about 80 per cent of Government to the Supreme castern Canada's offshore rights court, effectively hopes to lose the Grand Banks physical oil companies with reasonable back to the early 17th century.

the rights issue.

blocked/financial rand.

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RECORD DATE TO PARTICIPATE IN THE

RIGHTS ISSUE OF SHARES WITH

DETACHABLE OPTIONS

Members are referred to the announcement made on 15 August 1930 in respect of the proposed rights issue and to the circular and notice of general meeting posted to members on 29 August

The record date for the rights issue is Friday, 3 October 1980. Accordingly, the company's register of members will be closed from 4 to 12 October 1980, both days inclusive, to determine

those holders of shares who will be entitled to participate in

Since the issue of the abovementioned circular, application has been made and permission has been granted by the Reserve Bank for non-residents of the Rand monetary area to use

non-resident members in terms of the offer,

to subscribe in terms of a letter of allocation issued to

to purchase letters of allocation on The Johannesburg

to subscribe in terms of a letter of allocation which has

groups to stop Iran oil imports

FOUR JAPANESE trading comnanies which have been importing heavy oil from Iran under deals signed early this year will cease to do so when the contracts expire at the end of this month.

The heavy oil shipments are the residue of the more important trade in crude oil which was suspended in April when Iran demanded, and Japan refused to accept a price increase that would have taken the cost of Iranian light crude to \$35 a barrel. Iran began refusing to load

Jananese tankers when the trading companies rejected the price increase. It continued to ship heavy oil to Japan but will have to cease supplies from the end of this month unless the Japanese companies agree to renew or renegotiate their contracts. So far there is no indication that the companies Misui, Marubeni, Mitsubishi and C. Itoh-are in any hurry to

do this.

One of the companies said yesterday there were political as well as economic reasons for net reopening talks with the National Iranian Oil Company (NIOC) Despite this, it looks as if contacts will at some time be resumed. NIOC is under-stood to be anxious to supply both heavy oil and naphtha to Japan, whether or not trade is resumed in crude oil.

The contracts provided for the shipment to Japan of about 2.8m tons of heavy oil over a nine-month period. The Japanese buyers agreed to accept a relatively high figure for the deliveries as part of a package under which crude was also to be supplied.

If a new import contract is eventually negotiated for heavy oil alone, or for heavy oil and naphtha, Japan would almost certainly want to reduce the quantities to be shipped below those in the present agreement.

Japanese traders involved in oil dealings with fran say NIOC. dealings with frail say theoretically has the right to claim compensation from Japanese oil importers for their refusal to accept the Tranian price demand of last April. So far, however, NIOC has not hinted that it plans to seek with compensation. to seek such compensation. Any attempt by the Iranian's to take legal action against Japan would presumably block the opening of negotiations on a new sales contract.

The four sales contracts cover the bulk of Japan's remaining imports of oil and oil products from Iran. Some smaller contracts, however, will remain active for a few months

Richard C. Hanson reports: Toyo Kogyo, the maker of Mazda cars, is discussing the possibility of providing Ford Motor 150,000 diesel engines a year for a new car model expected to be introduced in the U.S. in 1983. Ford acquired a 25 per cent equity share in Toyo Kogyo

earlier this year.

Japanese ABC ships cut swathe through big operations

BY WILLIAM HALL, SHIPPING CORRESPONDENT

ONLY TWO years after Mr. But the bulk trades have Tsvi Rosenfeld's ABC Container burst onto the Europe/Australia/New Zealand shipping scene, his unconventional ideas have enabled him to make substantial inroads into the market share of the consternation of the long established operators.

ABC's fleet operates a equipped with economical slow tion (MEBA), and the ship from the U.S. Government, and Although ABC is rather coy the equity for a joint to put up the majority of from the U.S. Government.

ABC's fleet operates a equipped with economical slow tion (MEBA), and the ship from the U.S. Government.

Although ABC is rather coy the equity for a joint be equity for a joint the two up the majority of the equity for a joint the two up the majority of the equity for a joint the two up the majority of the equity for a joint the two up the majority of the equity for a joint the two up the majority of the equity for a joint the two up the majority of the equity for a joint the two up the majority of the equity for a joint the up the majority of the other two new 41,000 dwt bulk/container the U.S. Government.

Solution of the long that it is a lucrative benefiting from the fact that ships.

ABC's fleet operates a equipped with economical slow to it on (MEBA), and the ship from the U.S. Government.

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him to make substantial inroads into the market share of the consortia, of which Britain's established operators.

Initially, the shipping conference lines dismissed Mr. Rosenfeld's incursion into their tightly knit trades as a temporary phenomenon. His fleet of 15 bulk carriers under the umbrella of Antwerp Bulk Carriers (hence ABC), was mideremployed, so Mr. Rosenfeld to fill them with containers. Once the bulk has two pure containers and 30,000 trades improved Mr. Rosenfeld would be off and away, or so it was thought.

Initially, the shipping conference lines dismissed Mr. Rosenfeld operators.

OCL and Associated Container Transportation (Australia) are the most important.

ABC Containerline owns four combined bulk/container carriers which have all been built over the past couple of years. These ships are just over 40,000 dwt, can carry up in 1,500 containers and 30,000 to 1,500 cont

This last contract, which has

the Belgian Cockerill yard in increasing the size of the Carry 85 per cent Belgian Covernment in ancing.

ABC is also negotiating the purchase of two more ships costing around \$150m in total form Levingston Shipbuilding of Orange, Texas.

This last contract, which has covernment.

The U.S. Government's interest tainer/bulk concept is a success tainer/bulk concept is a success.

List formula which the other container ship operators will hopes to get a subsidy of up to have to follow.

Certainly, the combination of ABC's cheap and fuel efficient deals of the cost with 25 year money will prove strong competition guaranteed by the U.S. for the conference lines' older to the container ship operators will hopes to get a subsidy of up to have to follow.

Certainly, the combination of ABC's cheap and fuel efficient guaranteed by the U.S. for the conference lines' older to the cost with 25 year money will prove strong competition for the conference lines' older to the cost with 25 year money will prove strong competition for the conference lines' older to the cost with 25 year money will prove strong competition to the cost with 25 year money will prove strong competition to the cost with 25 year money will prove strong competition to the cost with 25 year money will prove strong competition to the cost with 25 year money will prove strong competition to the cost of the

Government

vessels. The unknown factor is whether ABC has the financial the conference lines is an indication of the pressure ABC is bringing to bear.

The company is also helped by the fact that it has some cheap ships and they are This last contract, which has Government.

This last contract, which has Government.

The equity of \$14m per ship ticularly interesting since ABC will be provided by MEBA (50 muscle to sit out a prolonged to per cent), Levingston Shipyard persuade the pension fund of a (30 per cent) and ABC (20 per lines. They are not going to allow their market to be taken from them without a fight.

Brazil has new EEC agreement

THE EEC yesterday signed a five years co-operation agreement with Brazil, which sets up a commission to further economic ties. The agreement replaces an accord signed in 1974, Reuter reports from Brussels.

Nearly a third of Brazil's exports go to the EEC. The main products are coffee, soya cake, soya beans and iron ore. But EEC countries provide Brazil's major source of foreign investment with held ings worth \$4.5bn (\$1.9bn). Trade between the two has increased more than fourfold since 1970 to \$7.7bn in 1978. Rik Turner adds from Sao Paulo: Brazilian officials

characterised the signing as an agreement worth S8bn of trade." They noted that it will serve as a framework for economic development that EEC is interested in.

These include steel, aluminium and alternative energy sources. Brazil is a long-standing supplier of iron to the EEC, to an extent that restrictions have been placed on the trade. It has also deepened its penetration of

the market for finished steel But the restrictions on iron shoes and textiles to the EEC, are not mentioned in the agreement. Officials in Brazil possibilities of review.

British company wins £20m contract for Portugal grain plant

SIMON-CARVES, part of Simon Engineering of Stockport, has been awarded a contract to build one of the world's biggest grain terminals near Lisbon, by the Portuguese State group, Empresa Publica de Abastecimento de Cereais.

The contract, which is due to be completed in two-and-a-half years, will be worth about £20m to Simon-Carves and its mainly UK sub-contractors for the design, supply, installation and

Indonesia to

build French

INDONESIA and France will

work together in producing the French Aerospatiale Super-Puma helicopter as part of an expansion in bilateral

ce-operation in building an armaments industry here.

and Technology, said yester-day that equipment for pro-

duction of French super

Puma helicopters would

arrive in Indonesia next month. The 22-seat helicopter, which can be used for both civil and military appli-

cations, will be produced under licence at Indonesia's

Nurtanio factory in Bandung, around 140 kilometres south-

The agreement signed be-tween France and Indonesia will provide a major boost to Indonesia's fledgeling aircraft industry. Indonesia already produces Spanish Casa C-212 Aviocar short take-off aircraft

under licence from Construc-

ciones Aeronaucciones BO-105 helcopters under BO-105 helcopters under with Messer-

News of the Puma project

came after talks with French military officials. The talks were aimed at expanding co-

operation between the two

countries on the development of Indonesia's armaments

To date France has played a small role in the supply of

arms and military equipment to the Indonesian armed forces but with recent sales of missiles to the Indonesian

navy and now the puma heli-

copter license, France could well be set to expand its

market further.

of West Germany.

west of Jakarta.

Mr. B. J. Habibie, Indonesia's Minister for Research

helicopters By Richard Cowper in Jakarta commissioning of the plant. Civil engineering work, costing a further £15m, will be handled by two Portuguese companies Engil Sociedade de Construcao Civil, and Somec Sociedade Metropolitana de Construcoes

present a major food importer. and weighing equipment for a rubber-making equipment and in the final stages of negotiation

The Portuguese also hope to 1,250 tonnes per hour vehicle other large industrial process establish the new terminal, on loading station. A central complant, could be doubled, how-the mouth of the Tagus, as a puter system will control the ever, with a more competitive transhipment point for southern operation of the terminal and exchange rate.

Europe and the Mediterranean, provide data on commodities The compar for grain from North and South in store.

rearing by Portugal which is at loading facilities and transfer specialises in grain elevators.

The company is at present engaged on its biggest ever con-Mr. John Burgess, managing tract, a £79m tyre factory for the Metropolitana de Construcces America.

The system will comprise a director of Simon-Carves, said director of Simon-Carves, s Korea and a major contract is

with Morocco. It was also hoped to sell the system being supplied to Portugal to major ports in the

Credit arrangements for the Portuguese deal are still being contract through the Export Credit Guarantee Department is likely to be negotiated. Turnover at Simon Engineer-

ing in the first half of the year rose by £21m to £155m and pre-

-140-Heart rate during motorway driving between Leeds and London. -120 -100 ·80· -60-Heart rate during rail travel between Leeds and London. -::-

Atlanta's \$750m air terminal unveiled

BY MICHAEL DONNE IN ATLANTA

A NEW \$750m passenger terminal complex is being brought into use at the Atlanta's Hartsfield International Airport, the second busiest airport in the

After formal inauguration ceremonies yesterday, the new passenger buildings, set in the middle of the existing pattern of runways, will take over com-pletely this weekend from the old congested buildings which were built in 1961.

Last year, nearly 42m passengers passed through Atlanta, ten times the number the old airport buildings were designed to handle. This made Atlanta the world's second busiest airafter Chicago's O'Hare, which hnadled 48m passengers. By comparison Los Angeles international was the third busiest with 35m passengers while London Heathrow was the fourth busiest with over 28m passengers, in 1979.

The new buildings at Atlanta are capable of bandling at least 55m passengers a year. But provision is also made for expan-sion through the 1980s as air travel expands again after the recession to enable the airport to cope with up to 75m passengers a year, and there is scope for further growth into the 1990s with room for additional buildings and also a fourth

THRWSY. The new passenger facilities comprise two main terminal buildings adjacent to each other, but linked by underground railway to four separate parallel passenger concourses spread over a vast area with a total capacity of up to 138 wide-bodied jet airliners at any one

The reason for this design was that about 70 per cent of the passengers using Atlanta are only changing aircraft there, making connections for other airlines and destinations.

Notice to Bondholders Alcan Australia Limited 8½% Bonds due 1989

Notice is hereby given that, pursuant to paragraph 4 (a) of the terms and conditions of the bonds US\$ 750,000 principal amount thereof have been purchased by Swiss Bank Corporation, Zurich, as purchase agent during the year September 1st, 1979,

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Decline in **British** ship trade underlined

By William Hall, Shipping Correspondent

THE AMOUNT of UK overseas UK manufacturing operations. trade carried in British ships This brings to nearly 3,000 the fell sharply last year. This is number mainly due to the 11 per cent announce drop in the size of the UK fleet

About 95 per cent of the country's trade (by weight) is carried by sea Last year, UK imports rose by 3m tonnes to 157m tonnes, but the proportion Greater Manchester and Glascarried by UK ships fell from 29 per cent to 27 per cent. In 1977, 33 per cent of UK imports were carried in British ships.

The volume of UK exports carried by sea rose by 19 per cent to 96m tonnes in 1979, but the proportion carried by UK ships fell from 37 per cent to 33 per

the latest issue of British Business and are part of an annual series on the nationality of vessels in UK seaborne trade. They will serve to underline the growing official concern about the rapid decline of the UK fleet, which over the last five years has dropped by a fifth in size.

With the build-up of North
Sea production, the UK is becoming a major exporter of oil. Last year 53m tonnes was exported compared with 30m tonnes a couple of years ago. However, UK ships carried only 25.6 per cent of oil exports compared with 31.9 per cent in 1977. Norwegian, French and German tankers have all increased their

In the bulk and dry cargo trades, the decline of the UK shipping fleet has led to a reduction in the share of the trade carried by UK vessels. The share of bulk cargo imports has fallen from 31.6 per cent in 1977 to 24.2 per cent last year. Nor-wegian and Greek ships are carrying a larger share.

BP director

MR. ROGER BEXON, 54, has been appointed one of British Petroleum's four managing directors. He is senior vice-president, oil and gas, with the Standard Oil Company of Ohio (Sohio), BP's U.S. subsidiary.

Homes crisis

A SURVEY of Northern Ireland housing shows that 14 per cent of homes are unfit for habitation, more than three times the proportion in England.

Education plan

TALKS on the possibility of developing a distance learning system of technical education versity are to be started by Mr. James Prior, Employment Secretary, during the next few

Tootal reorganisation will cut another 750 jobs

number of redundancies announced by the group this year, and will reduce its British labour force to only about 14,000 compared with 20,000 five years ago.

The cuts affect group clothing gow, and are being blamed on the familiar combination of weak demand, high interest rates and strong competition from imports as a result of the

In shirts, production of which has recently been concentrated print works in Glasgow which in Greater Manchester with the supplies the furnishing trade is closure of two London factories, Tootal is proposing to consolidate warehousing and administration at its Newton Heath

Stitching operations at New- pany's main print works.

TOOTAL is to reduce its work- ton Heath will be discontinued, force by 750 in a further with the loss of 150 jobs, but rationalise production and staff reorganisation of the group's 70 new jobs will be created at levels at Engraving and Roller Newtown, Powys, where men's Services in Levenshulme, its handkerchief production will be speciality manufacturer centred.

With the market in shorts Marple and Levenshulme will weak, Tootal is also proposing total 255. to close a factory in Bolton, which makes own brand lines, with the loss of 116 jobs. One of the factory's major chain and printing operations in store customers has recently reduced its order for shirts by 40 per cent.

Tootal is also further reducing its activity in fabric printing, where there is strong competition from importers, par-ticularly from Italy and the U.S. Its small Wallace commission

print rollers. Redundancies at

closed. This process will be transferred to Tootal's Osman factory in Bolton, and another small subsidiary, International Cotton Waste, is to be closed with the loss of 20 jobs. Tootal's closures add to a list

A small sheet hemming factory in Manchester is to be

of 30 mills shut in the northwest during the first eight mouths of this year. Another 23 are due to close.

supplies the furnishing trade is being shut with the loss of 164 to close its factory in Londonjobs, and the number of shifts derry, Northern Ireland next is being reduced from three to week with the loss of 180 jobs. one at Strines in Marple, About 30 warehouse and Greater Manchester, the com-administration staff will be re-

BSC de-centralisation begins

stages of de-centralisation into essential step towards improved

executive of a general steels headquarters should be based.
group, and Mr. Jake Stewart, Some union leaders have
Scottish division managing expressed concern about the
director, will head a strip prolack of time available for dis-

the Scottish plate mills. Manu- anounced yesterday.

THE British Steel Corporation facturing facilities in the A decision on the future yesterday announced the first present Welsh and Scottish shape of steelmaking in Wales divisions—apart from product-based profit centres Scottish plate mills—the Strip according to Mr. Nicholas which Mr. Ian MacGregor, its Mills Product Unit and BSC Edwards, the Welsh Secretary. new chairman, regards as an Tinplate will come under the He told a Welsh TUC degelastrip products group.

mercial managing director, will autonomy, including the de-reductions in Welsh steel become chairman and group cision on where their divisional capacity, no decisions were cussion of the plan-which BSC The general steels group will intends to implement immediaclude responsibility for the ately. The Steel Industry include responsibility for the ately. The Steel Industry manufacturing facilities of the Management Association exexisting Teesside division, pressed reservations about Port Yorkshire and Humberside and aspects of the plan when it was regar

the is unlikely for some months, tion that while he could not give viability. Mr. Sambrook and Mr. categorical assurances that Mr. Gordon Sambrook, com- Stewart will have considerable there would not be further Sambrook and Mr. categorical cated he had recently held detailed discussions with Mr.

MacGregor. Fears have been growing in South Wales throughout the summer that BSC is moving towards the closure of either Port Talbot or-generally regarded as the more like y

New gilt funds boost unit trusts

UNIT TRUST business last age (£33.7m) leaving net new with the 30 per cent paid by month was significantly boosted investment of £7.5m. by hte new gilt funds which

August of £37.9m, the third seen more money leave the Cumulative figures published highest monthly figure this year. the Unit Trust Association said able to attract. yesterday that some £6.5m was attributable to the 10 gilt or gilt edged securities were not fully against £297m in the same and fixed interest funds then on tax efficient for investors until period last year and £381m in tax efficient for investors until the market.

Units cashed in August were appreciably down on the July figure (£42.4m) and below this year's monthly aver-

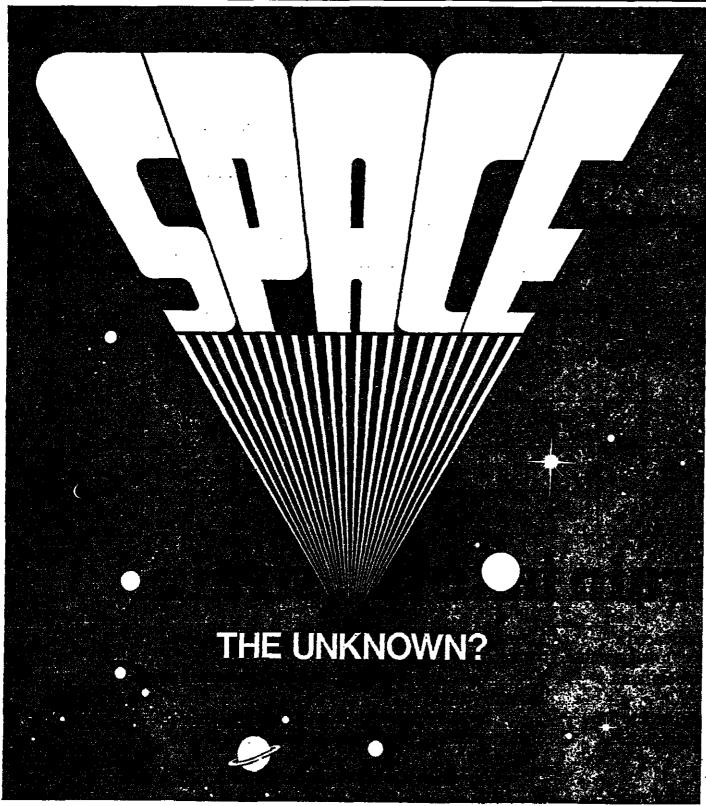
The latest results will be have been offered to investors. welcomed cautiously by unit trust managers who, in three Reporting total gross sales for monthly periods this year, have August of £37.9m, the third seen more money leave the

became

during earlier this summer.

investors putting money directly into gilts. The Finance Act clause however, removed this discrepancy.

the first eight months of 1980 Unit trusts investing in gilt- gross sales totalled £300m chases came to £270m (£252m



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Final curtain for Merseyside co-operative

By John Elliott, Industrial Editor

ONE OF the long-running sagas in Merseyside's indus-trial history ends tonight when the last members of the old Kirkby Manufacturing and Engineering ...workers ...co-operative lose their jobs. It is eight years since they staged their first sitin.

The recession's impact on the engineering industry and on the industrial property market have proved too much for the factory's owners, IPD. It has decided to shut the premises and hope for better

The co-op's leaders, Mr. Jack Spriggs and Mr. Dick Jenkins have lost their jobs along with 16 other workers. Mr. Spriggs, 45, has been earning about £4,500-a-year as the site manager since January, having spent most of the previous decade as a militant shop steward and convenor-

For most of this year he and his colleagues have been trying to use the 480,000 sq ft factory for warehousing. They even managed to cash in on the British Steel Corporation's labour troubles earlier this year by providing storage space for some im-ported steel, but the business

bas not become profitable.

The co-op itself died—and 600 jobs were lost-in the summer of last year when its radiator manufacturing and other engineering activities went into liquidation.

An American machinery dealer then took a short lease on the factory, retaining Mr. Spriggs and others as the site's guardians, until January when he had sold all the

machinery.

Now. only the Meriden
motor-cycle venture survives. somewhat precariously, out of the three co-ops founded with the help of Mr. Anthony Wedgwood Benn, then Indus try Secretary, nearly six years

Ironically, the Labour Party is considering whether a future Labour Government should give workers the legislative right to oust their owners and managers and turn their factories into co-ops with the help of State aid. Men and Matters. Page 22

Suit over Hong Kong 'phone bill

By Our Hong Kong Corresponder

A LENGTHY dispute about how the revenue from long distance telephone calls should be split has led Cable and Wireless to sue the Hong Kong Telehpone Company for HK\$32m (£2.7m).

The final sum in contention could be much higher, since the figure covers only what Cable and Wireless claims is in overdue payment for April: it does not include unsettled accounts for May, June and July, as well as interest and

Under the current arrangement for splitting the revenue, Hongkong Telephone gets 22 per cent of the rates accruing to the Hong Kong end of circuits operating over more than 100 miles. Cable and Wireless gets the balance which it must share with the overseas telephone services involved

All international telephone traffic from Hong Kong increased by 41.8 per cent last year and the charges involved came to HK\$390m for the 12 months to March 31.

"It is clear that a dis-proportionate share of the revenue is lost to Hong Kong." a telephone company spokes-

Truck service economies 'threat to dealerships' BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

long-term impact on dealer net-

Hauliers faced with increasing cash-flow difficulties are opting to take components from trucks laid up through lack of Some have had to close." demand rather than have the vehicles still in use serviced in the normal manner.

Truck manufacturers have not had to face this problem before in the UK, and Mr. Erich Krampe, managing director of Mercedes-Benz (UK), maintained yesterday that it would affect "the capability of the automobile industry to satisfy the customer in years to come." Mr. Krampe said the recession had given dealers cash-flow and

cost problems, This has happened often before," he said,

"What seems to be different

of trucks taken for routine the necessary parts and service operator," Mr. Krampe said. servicing could have an adverse profits have vanished." Many dealerships had become

unprofitable as a result, he said. They have stopped making investments, and even had to make skilled people redundant.

This might rebound on hauliers when the market re-covers—"in 1982"—because there would be fewer dealerships to offer truck servicing, and also a shortage of trained

My estimate is that during the second half of 1981 the operators who try to switch cost pressure from now into some time into the future by not servicing and maintaining their vehicles will come back to the workshops.

It will be then-when the costs, reputation of the manufacturer is at stake—that the ability of the organisation to cope with

A STEEP drop in the number addition to the other pressures, dealer, manufacturer

-Mr. Krampe maintained fliate facturers to provide adequate service back-up during the next rise in truck demand that will decide future sales increases and market shares, not the current "discount war."

Price-cutting in the UK was "unhealthy since it must destroy long-standing loyal customers' confidence; dealer profitability, and limit the capability of any organisation to cope with the customers' needs in the future. Mr. Krampe suggested that the effect of any heavy discounting was limited because the

It might help solve short-term cash-flow problems, but in the long run the real outcome this time is that the workshops the suddenly rising demand for is disastrous, particularly for are empty. That means that, in service will be decisive for the customer," he said.

purchase price of a truck

accounted for only about 15 per cent of the total operating

Commercial vehicle sales drop

in registrations of new commer-vehicle assembly plant in cial vehicles in August com-Britain is working short-time. pared with the same month last. The exception has been the Ford released yesterday by the Society of Motor Manufacturers and Traders, writes Kenneth Gooding.

The decline is expected to continue for the rest of the year. Some manufacturers are predicting a 12 per cent drop from last year's record level year. Importers captured 24.8 Ford commercial vehicles were sales. By the end of August, per cent of registrations in the in short supply duirng early registrations were down 9.3 per first eight months of the year, 1979. cent.

The deepening gloom reflected yesterday in the decision by Seddon Atkinson, the heavy truck manufacturer at Oldham and Preston, to switch in the importers' position down from 39,267 to 28,466: to a one-day working week next reflects their ability to offer Dodge Trucks' sales fell from

In August, they accounted for nearly 32 per cent of registrations, compared with 27.5 per the long industrial dispute in cent in the same month last the autumn of the previous year; compared with 23 per cent last

the moment, and to some ex- BL's total was down from tent the relative improvement 47,383 to 38,707, and Bedford's larger reductions because of the 10,129 to 9,088.

The August total of 28,050 commercial registrations was 7.017 lower than a year ago. factory at Southampton where The January-August figure was Transit vans are made: down from 211,633 to 191,929. Meanwhile, imported vehicles Ford is the only UK-based

are increasing their share of the manufacturer to increase its UK commercial vehicle market, sales over the eight months, but its 1979 performance was dis torted by a "hangover" from Over the first eight months

of 1980. Ford's registrations Price-cutting is widespread at improved from 59,539 to 62,031.

Manufacturing investment falls

A WIDENING gulf between individual industry groups in second-quarter industrial invest-investment, spending by the the first half of this year and ment, was hardly changed from manufacturing and service the second half of 1979, the the provisional estimates resectors of industry has been highlighted by figures published yesterday by the Department of Industry.

The volume of investment by manufacturing industry fell by 5 per cent in the first half of and electrical engineering There was an offsetting the year compared with the final sectors fell by 16 per cent revision for investment by the vehicles service and distributive industributive industr six months of last year. Spending by the service and distributive sectors was about 2 per cent

The sharp drop in manufacturing spending reflects the far greater impact of recession on companies in this sector than on those in the service indus-

Comparing investment by

biggest falls, of about 20 per leased last month. Manufacturcent in volume terms, were ing spending at constant 1975 recorded by the iron and steel, prices was £902m, seasonally textiles, leather and clothing adjusted, £30m below the earlier industries

Spending by the chemicals

estimate and 5 per cent below Spending by the instrument the first quarter.

industry was down by 9 per tries (excluding shipping). This cent and by mechanical amounted to £1.49bn at 1975 engineering shipbuilding and prices, £33m more than the metals goods companies by provisional estimate and 3 per cent above the first quarter.

Spending by the chemicals
group seems to have remained
broadly flat since 1978. There
was also little change among
other sectors in the second half.
The overall figures for total The overall figures for total and retailing in the first half.

Conting

GPs encouraged to buy computers

BY JASON CRISP

THE BRITISH Medical Association is encouraging doctors to buy computers for their in the foreseeable future hasic business control to the first costing to the first cost in the firs

In a report out yesterday the BMA urges a cautious and evolutionary introduction of computers into general practice which, at first, would probably only be used for the most basic record-keeping and the business management of the practice.

Doctors, and patients, would not have much contact with the computer at first, says the study. Doctors should not be expected to know how the equipment works or to learn how to type but merely have the machines as a business aid. Clerical staff would use the

a completely computerised

The study found that most GPs it questioned were strongly against having terminals connected to a central computer which would hold all the information from each practice

The type of computer the BMA is suggesting is increasingly used by small businesses and professional organisations. The BMA study selected four main types of system which GPs

because the small computers it tive work of the practice and a thinks most suitable for family register of the patient list and doctors cannot store enough could probably be used for data; nor does it see a need for appointments.

A more complex system would enable GPs to keep registers on problems and diseases, repeat prescriptions, patients "at risk," medications records. A third type of system would record medical information on

the patients as they were con-sulted by their doctor and would be able to provide information on how drugs interacted. A fourth—costing up to £200,000 and most unlikely to

be used—would have the ability

to search for records and con-duct detailed analysis.

Hazel Duffy sees conciences apparently pricked Goodwill is not enough for Consett

steelworks the consortium the odds on it closure seems to have pricked succeeding must be a lot worse the conscience of the Govern-than the 50/50 which Bill Sirs ment and the British Steel Corporation more deeply than all the other recent steel closures. This may help to explain the readiness of politicians, civil servants and the BSC to give a fair hearing to the consortium of businessmen which says it wants to buy Consett. In the past month or so three

representatives of the consortium have found the doors of senior officials of the Department of industry open, and yes-terday they also had an hour-long meeting with top Meanwhile they have received

an indication of support for a private-sector solution to Consett from Sir Keith Joseph, Industry Secretary, and, by im-plication, even from the Prime Further, this week at a Press conference Mr. Bill Sirs, the Iron and Steel Trades Confeder-

tium, to give his blessing to the

than the 50/50 which Bill Sirs put on it this week. Why? • First, of whom does the consortium consist? The only names that have surfaced so far are those of Mr. Logan, who works for Logica, a systems and consultancy group; Mr. John Carney, a researcher at Durham University shortly to start work as a development officer with Consett urban

district council; and Mr. John

business in Gateshead. A list of the other consortium members was submitted to the Department of Industry two weeks ago. However, it was admitted at the time that they had not necessarily committed themselves to putting cash into the venture.

Certainly these companies supplied from other BSC which have confirmed that they have been approached by Manchester Steel and GKN for Messrs. Logan, Carney and example—have also moved to O'Keefe have said specifically other sources. The consortium O'Keete have said specincary other sources. The consortium that, while willing to give would have to win back these. But from this point to that of advice, they would not commit customers as well as finding a successful takeover by a concash to steelmaking in the many new ones to replace the sortium of well-meaning business. present climate.

Carney conducted for the ISTC, 400,000 tonnes of Consett steel O'Keefe, who runs a scrap went to other BSC plants around the country. Another 280,000 tonnes went to a variety of customers, many of them steel-processors. The largest customer on this list was Darlington and Simpson rolling-mills, half-owned by BSC, which says it is being supplied from other BSC

from elsewhere.

sortium could find. Mr. Logan markets which BSC lost to says he could "lay his hands imported steel and by exporting more aggressively. This enough to interest BSC? After might be possible through a might be possible through a says to all the same and sortium could find. Mr. Logan says he could "lay his hands on £1.5m." But would that be

> that this consortium could offer them a long-term future?

To know the social catastrophe presented by the Consett closure is to understand the reason why BSC agreed to

Sir Keith is also known to have been particularly worried by Consett, although in offering "support" without financial help he is doing no more than confirming the Government's expressed desire to see the

BSG outlet.

nessmen ds a very big step. If Mr. Logan says this could would be foolish to raise the

productivity agreement which it plans to conclude with the all, if BSC was to allow a competitor into the market, would it not want reasonable comunions. The agreement involves the loss of 800 jobs, which would bring productivity up to West German standards. pensation into the bargain? Secondly, who would buy Consett steel? The quality of Consett steel billets has been good but most of its traditional In the event of the plan customers are being supplied progressing, however, would Consett workers be convinced According to a survey Mr.

meet the consortium.

private sector playing a bigger,

In spite of all this goodwill

This raises the question of Mr. Logan says this could would be foolish to raise the and the undeubted sincerity of how much money the cen- be done by winning back those hopes of Consett too high

National Express reduces coach fares

By Lynton McLain

MORE THAN 70 stand by express coach fares—ranging from £1 to £6 single—for journeys between to throughout England announced yesterday National Express, part of the state-owned National Bus

The fl fare will apply on the Liverpool to Manchester coach route where the fare is fl 95. It will take effect on Sunday, as will the other new

fares. The British Rail single fare on the route before today's expected increase of 20 per cent—is £2.11.

The action by National Express to reduce fares and improve inter-links between its services from different parts of the country—with cuts of up to 90 minutes in journey times British Coachways consortium of private operators announced a £2 single fare on the London to Birmingham

British Coachways, which in-cludes the Wallace Arnold group and five other independent coach companies, plans to start its cheap fare services on October 6. This is when licensing arrangements for express coach operations are to be relaxed under the Transport Act. 1980.

Mr. John Birks, the controller of National Express, said the change in legislation had contributed to its decision to

reduce fares. But he also said the impact of the recession had made the company cut fares.

But National Bus Company had already started a "market analysis project before the .Government .introduced its plans to de-regulate coach operations.

The project showed that the company had score to reduce its fares and increase pas-senger volu

Olivetti to offer computer range

OLIVETII, the Italian office equipment group, yesterday announced the formation of Olivetti Computers (UK) to market a machine made by Hitachi of Japan and a range of computers which it claims offer better value than those of International Business Machines: -The machine built by Hitachi

processes instructions at the rate of 10m a second, and costs about £1m less than an equiva-lent IBM machine. IBM is the dominant supplier, with over 50 per cent of the world market

Computing services

STEPHEN HOWE Consultants of New Malden, Surrey, has pointed out that it, in addition to the seven software houses mentioned in our survey of computing services on September 17, has been assessed to the highest level of Ministry of Defence quality assurance, Defence Standard 05-21. We apologise for the omission in the original article.

European military balance Demand for 'shifting to Warsaw Pact'

balance in Europe is in general moving steadily in favour of the Warsaw Pact. But NATO defences are still powerful enough to make military aggression "appear unattractive" to the East.

These are two set the energy nounced in the next few years, the next few years, the next few years, the next few years, the report adds. Not until Nato begins to deploy its American Cruise and Pershing missiles in cruise and Pershing missiles in increase in its capability be expected.

These are two of the main conclusions drawn by the International Institute for Strategic national Institute for Strategic Studies in its latest annual assessment of the military balance, published in London this week.

It is still too early to say whether NATO's long-term defence programme, designed to counter the chiffing balance.

will in fact produce the greater readiness and savings through co-operation that are called for, the institute says.

But the objectives are relatively limited in scope, could be attained in practice for the small increases in budgetary comes a day after the outlays to which most Alliance members have committed themselves up to 1980, and should serve to redress the worst of the imbalances, according to the institute.

The Warsaw Pact's advantage

expected.

The institute makes no predictions about the likely success of East-West negotiations on limiting theatre " weapons, which could get off the ground as early as next month. But it says the West's political will to introduce the weapons and to modernise in general may be difficult to sustain in counter the shifting balance, the face of domestic and economic difficulties besetting the Alliance.

NATO defences are still of such a size and quality that any attempt to breach them would require a major attack, the institute believes.

The overall strategic balance between the U.S. and the Soviet Union, as well as maritime forces, must also play a vital part in the equation.

in European "theatre" nuclear offset numbers, this is being Street, London WC2E 7NQ. £5.

EAST-WEST military weapons will become more promatched by the Warsaw Pact. the in Europe is in general nounced in the next few years. New technology has strengther steadily in favour of the report adds. Not until Nato ened the Alliance's defences, but it is increasingly expensive. "If defence budgets in the West are maintained no higher

than their present level and manpower costs continue to rise, the Warsaw Pact may be able to buy more of the new systems than NATO. Soviet spending has been increasing steadily in real terms for many years. Furthermore, technology cannot be counted on to offset numerical advantages entirely." the report says.

In an analysis of the European "theatre" nuclear balance, the institute concludes that the Warsaw Pact has an overall superiority in the number of nuclear warheads that would arrive on target in a retaliatory second strike of the order of 3.1 to 1. But if American submarine Poseidon warheads are included in the NATO side, the ratio drops to about 1.5 to 1,

But while NATO has The Military Balance 1980-81, emphasised quality, particularly International Institute for in equipment and training, to Strategic Studies, 23 Taristock

Liverpool Daily Post is threatened

THE LIVERPOOL Daily Post

and Echo is to present a major to keep the Daily Post, its morning paper, open.
The company said yesterday

that the Daily Post, one of Britain's longest-established provincial papers, would have to close unless "major cost reductions" were achieved. Both unions and management were reticent about possible cuts yesterday, but a 20 per cent reduction in staff across the company is believed most likely.

programme of economies to its results, the directors said the unions on Monday in an attempt papers had been trading at a significant loss every week in the third quarter of the year. The costs of both papers were far too high, and the statement puts part of the blame on the Graphical Association's three-week strike at

Liverpool in May.

Both papers have suffered from the economic depressions circulation areas. Classified advertising has been very low although rates were increased sharply at the end

In a statement accompanying of July. The Daily Post's cirthe Post and Echo half-yearly culation is about 68,000, and that of the Liverpool Echo about 220 000. The equivalent figures for July to December last year were 75,000 and 240,000. It is the Daily Post, the flag-

ship of the newspaper group, that is the more vulnerable. The paper has two editions, for North Wales and Merseyside, the latter suffering the larger drop in circulation. The company said closure of

the Daily Post would be a last

Company report, Page 28

oil products shows 14% downturn

By Ray Dafter, Energy Editor

DEMAND FOR oil products tell by 14 per cent in the first six months of this year, against the first half of 1979, according to Institute of Petroleum figures.
The amount of product

delivered in January-June was 41m tonnes, almost 7m tonnes less than a year ago. The industry reports that the fall in demand has resulted from low economic activity, high prices and conservation

Of the major products, fuel oil at 10.7m tonnes showed the largest half yearly decrease of 30 per cent. Fuel oil demand was hit not only the economic situation but also by the switch to a higher coal burn by the Central Electricity Generating Board.

Transport fuels showed a slight increase. Sales of avia tion turbine fuel rose by 2.9 per cent. petrol deliveries increased by 2.8 per cent. and Derv demand went up by 2 per cent.

Natural gas production totalled 16.1m tonnes. 14.2 per cent less than in the same

period last year. Martin Dickson adds: Saudi Arabia's decision to raise its oil price from \$28 a barrel to \$30 is unlikely to lead to immediate increases in UK

products' prices. Many of Britain's oil companies do not rely on Saudi crude and those that do notably Esso, which relies on the country for some 40 per cent of its UK oil require ments-are unlikely to raise prices in present stock market

• BP Oil raised the price of pink paraffin by 2.6p a gallon from midnight and attributed this to an increase in the costs of producing this particular

Companies in south plan extra staff, says survey

BY JAMES MCDONALD

HALF OF nearly 50 companies survey in the south and south-east of England have plans to recruit additional staff-in spite of the recession.

This is shown in a survey by Lock Management Personnel, recruitment and selection con-sultants. One company plans recruit a large number of staff.

The survey, which excludes Central London, says areas of principal demand are: data processing, for systems analysts and programmers; engineering, for electronics engineers and technicians, production engi-neers and draughtsmen; and sales and marketing, for sales and service engineers and customer support staff.

Companies were finding difficulty recruiting analysts, programmers and visual display terminal opeartors in data processing staff for drawing offices, and skilled shop floor opera-

"This all seems to emphasise ahead in the year, often as a hat the south east is less hard result of people changing that the south east is less hard bit than the rest of the country, that there is a degree of con-fidence, and that despite high unemployment it is still as hard as ever to recruit in sufficient numbers people having specialist skills, be it in the office or on the shop floor," says the survey.

It says the lesson for this year's school leavers is to go to technical college, or attend other institutional courses in data processing and electronics. The survey, primarily con-cerned with salaries, has found

the south and south-east in-creased by 20 per cent or more over the past year. This may not apply to people who remained with the same employer during the period, says the survey. "But it is an indica-tion that salaries generally

that most executives' salaries in

Companies surveyed em-ployed a total of 18,000 people. It was found that some sectors— aprticularly in engineering and design benefited more than others. In those areas technical directors' salaries rose by up to 35 per cent over the year. A shortage of draughtsmen also led to increases of up to 25

A national shortage of cost and management accountants skilled in defining and controlling manufacturing costs, together with a decline in the rate of student registrations in the past few years, resulted in salary increases of up to 35 per cent in this category, the survey

Salary Survey for the South and South East Region, Manageaccorded to employees in the ment Personnel, York House, categories covered have gone Chertsey Street, Guildford, £25.

Toshiba may follow Nippon lead

BY RAY PERMAN, SCOTTISH CORRESPONDENT

mistic about the possibility of companies. attracting more microelec-Nippon's decision establishes tronics investment to Scotland Scotland as one of the main following the decision by centres in Europe for the pro-Nippon Electric to set up a duction of microchips. There E40m integrated circuits plant are already three major U.S. at Livingston New Town.

Mr. Alex Fletcher, Scottish Industry Minister, said yesterday that U.S. and other Japanese companies had shown interest in establishing plants in Scotland. He would be fol-lowing up leads during a visit to the U.S. this month.

Mr. Fletcher lunched yesterday with a study team from British Government or the Irish Toshiba, the Japanese electronics group which is looking at Scottish sites, but he demanaging director of NEC Electronics from imported components in 1982 and will move to wafer managing director of NEC Electronics fabrication by early 1984.

THE GOVERNMENT is opti- clined to name other interested tronics UK, the sales and the location. manufacturers — Motorola, National Semiconductor, and Motorola.

General Instruments—and all are expanding their capacity. Scotland competed with the Irish Republic for the Nippon plant, which will create 800 jobs by 1984, but neither the Government nor the company will reveal the level of financial assistance offered by either the

subsidiary marketing subsidiary of Nippon, said the level of grants offered had not been the most important factor in choosing

Nippon had decided against building the plant in Ireland, where it aiready has a microchip factory near Dublin employing 300 people, because of a shortage of skilled labour.

The plant, which will make advanced memory and microcomputer circuits, will have a capacity of 3m units a month when it reaches full production. It will begin assembling chips

Insurance, pension funds increase holdings abroad

BY ERIC SHORT INSURANCE COMPANIES and

edition of British Business, published by the Departments of Industry and Trade. The insurance companies

made a net new investment for their long-term funds of £105m in overseas equities, compared with £85m in the first quarter, private-sector pension funds newly invested £114m net in these equities. investment in

equities in the second quarter by insurance companies and pension funds amounted to £65m of short and medium guts more than £300m. The long- and bought £241m in long term funds of insurance comdated (over 15 years) stocks.

Long-term insurance funds their limitity by equity portfolios by £176m, while general insurance funds invested £15m and privatesector pension schemes a total of £134m in this sector.

Property investment in the private-sector pension funds period by these financial instiincreased their holdings in over-seas equities by more than £250m net, of which long-term £200m in the second quarter of insurance accounted for £176m, this year, according to the latest general insurance funds £13m, private-sector pension schemes another £59m.
The net investment in the gilt

market was nearly £700m in the second quarter, but there was considerable switching between the short- and long-dated stocks. Long-term insurance funds sum of £124m from short- and medium-term stocksyears—and invested £545m in long-dated stocks for a total net investment of £421m in gilts.

increased their liquidity by £78m to £1.52bn in the quarter, while general insurance funds added £81m to their cash holdings for a total of £1.18bn.

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M3 rises by 2.9%, M1 by 0.2% STERLING M3, the broadly-Bank lending in sterling to borrowers. This may represent

efined money supply, rose by £1.82bn, or 2.9 per cent, in the month to mid-August. The Bank of England said yesterday this rise was substantially inflated by more adjustments following ending of corset controls. Sterling M3's underlying growth in July-August is estimated at 1-2 per cent

Ml. the narrowly-defined money supply, rose by £66m, or 0.2 per cent, in the month to mid-August, continuing the recent trend of small monthly

£2.02bn last month. The main influence was central Govern-ment borrowing of £2.05bn, about a quarter of which was for lending on to the rest of

Domestic credit expanded by

the public sector.

A large part of this borrowing was offset by purchases of central Government debt, of £1.2bn, by financial institutions. and by the public. Sales of gift-edged stock to the non-bank seasonally adjusted. When account is taken of a reduction

months.

As in July there was a big increase, of £362m, in bank lending in sterling to overseas

of £360m in the level of bank acceptances held outside the banking system, and other special factors, the underlying growth in lending remains much as it has been in recent

the private sector was £864m, a continuing post-corset adjustment in the banks' Euro-sterling operations External

currency finance was again a small contractionary influence on the money supply-at minus £122m. The large current account surplus at present has tended to reduce the rather larger negative influences seen

MONETARY AGGREGATES (£m)

1980	Money str	ock M1 %	Sterlir change	ng M3	Bank lending in sterling change	credit expansion change
January	+ 49	+0.2	+ 485	+0.9	+1.378	+ 738
February	-411	-1.5	÷ 330	+0.6	+ 502	÷ 270
March	+304	1.1	+ 302	+0.5	+ 433	÷ 716
April	105	0.4	+ 216	+0.4	÷1,546	÷ 702
May	+115	+0.4	+1,249	+2.2	+ 369	+1,147
lune	297	-7.1	+ 447	+0.8	+ 438	+ 1.369
ĺūly	+976	+3.6	+2,954	+5.0	+2,379	+3.482
August	+ 66	+0.2	+1.816	+29	+ 864	+2016

Torpedo test vehicle developed

All figures seasonally adjusted Lending to UK private sector

controlled by computer has been developed by the Ministry of

of the controversial Sting Ray of a heavyweight torpedo—21 lightweight torpedo, the anti-inches diameter and 21 feet long submarine weapon controlled by

the past four years by the can also test propulsion has a 3-D tracking system and weapons laboratory of the system for torpedos. can carry data recorders, but Admiralty Underwater Weapon The development reflects a will normally transmit data con-Establishment at Portland near growing awareness of the threat tinuously through the guide Weymouth, at a cost of "a few of submarine attack. Russian wire for analysis on board the million pounds," says Miss Betty submarines, once noisy and mother vessel.

tory.
With the help of a Sperry

Defence to explore ideas for anti-submarine weapons.

The vehicle, called TVX, is being prepared for its first sea trials later this year.

It will be used to test parts

It will be used to test parts

TVX is the size and shape of the controversial Seing Prepared for the controversial Seing Prepared for the controversial Seing Prepared for the size and shape of the controversial Seing Prepared for the size and shape of the controversial Seing Prepared for the size and shape of the controversial Seing Prepared for the size and shape of the controversial Seing Prepared for the size and shape of the controversial Seing Prepared for the size and shape of the controversial Seing Prepared for the scientists have acquired the scientists h

-and weighs 2,500 lbs. micro processors which the Instead of a warhead it has Navy and Air Force plan to a large luggage compartment in Instead of a warhead it has put into service in the next the nose in which experimental few years, as well as develop-payloads can be bolted—homing.

ments in heavyweight torpedos. fuzing (triggering) or attitude TVX has been developed over sensing systems, for instance. It

A TORPEDO-LIKE test vehicle Killick, in charge of the labora- relatively easily detected, are quieter as well as greatly improved in performance TVX is designed for speed at least half as fast again as

the fastest craft a torpedo is expected to pursue. Its speed can be varied from about 28 to knots, through remote control of its gas turbine engine and jet-pump propulsion system. A scientist drives TVX from a computer console aboard the launch vessel, through a guide wire more than 4½ miles in length. TVX's own on-board computer controls its speed, attitude, and safety factors. It

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New Marina Development Opportunity Kingston upon Hull

Kingston upon Huli City Council has embarked upon amajor renewal scheme in an area close to the city centre, known as the Town Docks

Estate, occupying about 30 acres. The principal feature of the estate is three enclosed 19th Century docks, formerly the centre of the port's shipping activity.

Two of the docks, Humber and Railway, are to be developed as a

Marina with moorings for up to 400 craft plus all the services associated

with a modern vacht harboux. The City Council is seeking a commercial partner with a successful record in marina operations and their development who can quickly bring investment capital and technical expertise to the project, upon which

ssential site works have begun, supported by Governm This is a rare opportunity to extend sailing facilities on the east coast in a city which is currently experiencing considerable investment and



r more details contact: J. A. Higginson, F.R.L.C.S., Chief Land and Property Officer, Department of Industrial Develops Kingston upon Hull City Council, 76/78 Lowgate, Kingston upon Hull. HUI 1HL Tel: (0482) 222604

UK NEWS - LABOUR

Electricians set to extend reach into steel industry

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE ELECTRICIANS' union is the steel industry.

Steel Industry Management will become national officer for recognition for the EESA Association, to be announced the unit.

The EESA conference which the Advisory Conciliation and around three to one in favour of a merger with the white collar section of the Electrical and Plumbing Trades Union. This will swell the ranks of

the section, the Electrical Engineering Staffs Association, from 40,000 to 52,000, and bring membership of the EPTU to over 430,000.

It could also bring some disturbance in industrial relations in the steel industry. Mr. Bill Sirs, general secretary of the main steel union, the Iron and Steel Trades Confederation -which had hoped to attract SIMA—has spoken of a further fragmentation in the industry.

poised to extend its reach into mous unit within the EPTU's by engineers in the health serhe steel industry. white collar section, itself vice had depended on the sup-The result of a ballot among largely autonomous. Mr. Robert port of the electricians. He members of the 12,000-strong Muir, SIMA general secretary, said that moves to achieve

> The EESA conference, which ended yesterday warned other unions in the health service that they could not expect support from electricians unless EESA. which represents a number of hospital engineers, is given negotiating rights.

The bulk of hospital engineers are represented by the National Association of Local Government Officers, NALGO engineers delegates are meeting today to decide whether to ballot the membership on industrial action over a 14 per cent pay offer which they have rejected.

Mr. Tom Rice, national though recruitment will be officer of EESA, said yesterday limited to specific technologies.

SIMA will become an autono- that previous industrial action

Arbitration Service had failed. The conference also called for private medical schemes to be extended to industries other than the electrical one. A "truce" has been agreed

between the EESA and the 9,500-strong Association of Management and Professional Staffs, whose major strength lies in ICL

Under its terms, agreements with employers will require recognition of both unions in bargaining arrangements. also allows managers a free choice of which union to join,

Backing for Labour changes

THE ALLIANCE between the cies and third by trade unions-Union and the Left of the Labour Party has consolidated by the union supporting the view that an electoral college should have the final say on the Labour manifesto.

The TGWU is the party's biggest union affiliate. Its executive has also fallen in with growing support amnog trade unions Party, a third by the constituen- improve accountability.

Transport and General Workers' instead of 50 per cent party and 50 per ceat trade unions as proposed by the internal commission of inquiry. On this issue, the union has

lined up with recent decisions by the Association of Scientific, Technical and Managerial Staffs and the Confederation of Health Service Employees. In the TGWU's view the mani-

festo should thus be formulated that the party leadership should by the conference, passed be elected from a college com-through the party's executive posed of a third representation and finally be approved by the by the Parliamentary Labour electoral college, in order to

In addition, the executive is supporting the commission's recommendation that the threevear rule for deciding constitutional issues should be retained.

However, it has declined to recommend to its Labour Party conference delegation the names of members it would like to see on the party executive.

The TGWU's current membership affiliation to the party will remain at 1.25m but it has agreed to support an increase in the trade union affiliation fee to 40p in 1981 and to 50p in

TGWU to lobby for import curbs

Workers' Union yesterday the booklet entitled Control been made redundant from launched a campaign to persuade the Government to adopt selective import controls. sees the controls as essential to achieve full employment.

A booklet published by the union sets out a ten point charter urging the Labour Party and trade unions to exert the maximum pressure on the Government to include planned trade in a strategy for economic expansion.

conomic expansion. to emphasise the problem of on interest ra Mr. Moss Evans, general sec-unemployment. It would be led exchange rate.

Government to adopt a range tariffs and surcharges to combat the worst effects of import penetration.

He announced that the union was organising a mass lobby to coincide with the Prime Minister's address at the Conserva-Party conference in Brighton next month.

The purpose of the lobby was

THE Transport and General retary of the TGWU, launched by executive members who had Imports Now with a call on the their jobs, including Mr. Stan Pemberton who worked in the of remedies including quotas, rubber industry in Merseyside, and Mr. Eddy McGarry who worked at BL's Triumph plant.

Mr. Evans said that every increase of 1 per cent in overall imports penetration resulted in the loss of 200,000 jobs.

The union was also calling for fuel subsidies to industry and urging Government action on interest rates and on the

Agreement in Express dispute

By John Lloyd, Labour Correspondent

THE DAILY EXPRESS and Daily Star were printed in London last night after two days' absence. The - papers' machine minders have accepted a new contract stipulating extra overtime working.

Lord Matthews, chairman of the Express group and chief executive of Trafalgar House, the group's owner, agreed that he had taken a strong line with the print unions in the two disputes which have kept the Express and the Star off the streets for five days out of the past ten.

The most recent dispute concerned a new contract, said to have been agreed between union officials and managment, to allow extra printing time on the Express.

Members of the National Society of Operative Printers Graphical and Media Personnel in the machine room had refused to accept the agreement until yesterday.

In last week's dispute, mem bers of the National Graphical Association working on line type machines had refused to move to a new system of piecework payment. After a threeday stoppage, they accepted

the new system.

Lord Matthews said the results of both disputes in which he was involved closely, made him hope that it was possible to establish better industrial relations in Fleet Street.

He said the decisions to move to new payment systems and to extend printing times, together with the decision to cut back on the London editions of the Star, were part of a drive for economies throughout Express group. He said there was "too much

easy money going about. When things are very difficult you really must crack down

Talks seek end to BBC strike

By Gareth Griffiths

TALKS WERE taking place last night at the Advisory, Conciliation and Arbitration Service's London headquarters aimed at solving the week-long BBC craftsmen's strike which has halted several television productions.

The talks were held at the

Bitter row likely over Chapple move

BY JOHN LLOYD, LABOUR CORRESPONDENT

Union, wil be at the heart of a bitter confrontation at the TUC's general council meeting next Wednesday.

He confirmed yesterday that he had been voted off the TUC's powerful finance and general purposes committee by a six to two majority of the group which selects the membership of all TUC committees....

But he said he would wait until the general council meeting — the first since the TUC Congress before commenting. Mr. Chapple is not convinced that the group's decision will be upheld by the general council, whose ratification of it is necessary, though usually

formal. He also believes the unpopularity he has attracted especially over his fierce criticism of the general council's proposed trip to Poland, is less because was made public.

meeting, he will face questions from fellow council members

Mr. Chapple and Mr. Terry general secretary of the Elec Dully, president of the Amalga-trical and Plumbing Trades mated Union of Engineering Workers engineering section will have to answer for their decision to sanction the ase of labour from their unions and others in jobs on the site traditionally reserved for the Transport and General Workers

The motion to deprive Mr. Chapple of his seat on the F and GP committee came from Mr Moss Evens, general secre tary of the Transport and General Workers Union Mr. Evans believes Mr. Chapple has been disloyal to the TUC for

long enough. He believes that disagreement should go so far, but that the TUC should aim to achieve a consensus. Mr. Evans' move may be seen as an attempt to estab lish his power among his TUC colleagues as the leader of the country's largest union.

It is unusual for the group

hitc

selecting the TUC committee he disagreed, but because it which is drawn from the F and GP committee, to make contro-At the same general council versial appointments or dis-tecting he will face questions missals. Much struggling tends to come, however, after the comover his union's position on the mittees are selected and they isle of Grain power station site. must elect a chairman.

Three-day week starts at Vickers Shipbuilders

BY JOHN LLOYD, LABOUR CORRESPONDENT

starts to bite.

The company announced yesterday that some 3,500 of its national agreement. hourly-paid employees would Mr. George Alleywell, the work a three-day week on a rota Bollermakers. Union district system from next week. It said official, said yesterday that no it wished to guarantee a weekly talks had been fixed between the

VICKERS SHIPBUILDERS, part though it was a reduced one. of British Shipbuilders, will The strike of the 1,300 boilerbegin to put its workforce on a makers concerns a demand for three-day week from next Mon-day as the effects of the eight-week old strike of boilermakers higher payments to some than others, payments which were outside the British Shipbuilders

wage to its employees, even company and the union.

Vauxhall men accept 8%

agreed to accept the manage reject the offer, already ment's "British Leyland style" accepted at Vauxhail's Luton 8 per cent pay offer without a and Dunstable factories.

MORE THAN 22,000 Vauxhall tantly" the deal. Only a few shop floor workers have finally days ago, the men voted to

Since the start of the month Agreement came when 7,500 the Ellesmere Port men have instigation of ACAS which men at the company's Eliesmere been working a "week-on, week-invited both sides to meet its officials on Wednesday night day voted to accept "reluc stocks."

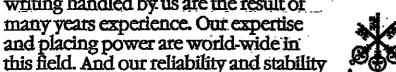
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UK NEWS

Bleak prospects for the jobless

BY ROBIN PAULEY

PROSPECTS FOR the unem mentary benefit. sloyed are worse than at any "Some people time since the early 1930s and supplementary this could lead to violence in the streets, says the Supplementary Benefits Commission in its final annual report.

The report says few fore-casters expect the situation to

improve before 1984 and implications for the long-term unem-ployed are "distressing." The picture in some parts of the country is already

frightening. The recent narrow-

THE Supplementary Benefits Commission warns of violence and defends the unemployed, for whose prospects it sees little im-

provement before

1984. ing of regional variations had obscured extremely hight unemployment levels in some urban areas in even the most prosperous regions - 9.2 per cent in London's docklands and 9 per cent in inner Birming-

The report says it is argued that unemployment does not cause severe hardship in the 1980s because of the number of

two-income families. But studies confirmed that lost their jobs. A higher than could not be repeated else-avearge number of jobless men where," it said. do not bave a working wife.

People who remain unem-ployed should be entitled to enmred and adequate incomes, the report says. At the moment, fewer than half get any insur-une benefits and most of the rest have to turn to supple-to 128,000 in 1979.

"Some people believe cutting supplementary benefit would force the unemployed back to work. But the main reeson that so many are out of work is that there are no jobs for them. Gutting benefit as an incentive to find work would be unjust

ineffective and politically inept. The report says there is widespread belief that for many workers there is little advantage in working — the "why work?" syndrome. The Government probably had the support of the majority of the population in stressing this. But the facts showed that only a small proportion of unemployed (3 per cent) received more money in benefit than in work,

Similarly, the incidence of fraud and abuse was small. Failure to take up benefits was a greater problem because of hardship which could result.

We must not forget that most claimants are honest and most of the unemployed are without work through no fault of their own."

Studies by the Manpower Services Commission showed that unemployment was likely to increase family tensions and violence. But the report says that the other social problems exacerbated by high unemployment could be expected to lead to tensions and violence beyond

the confines of the family.
"In view of the unemployment forecasts it would be danmost men who became unem-ployed were poor before they that the recent riot in Bristol that the recent riot in Bristol

> Long-term unemployment (of more than one year) would add to the dangers. The number of unemployed claiming supplementary benefit having been

Starvation warning on dispute benefit

THE GOVERNMENT'S policy people involved in disputes, of curtailing payment of benefit to people involved in industrial disputes is almost certain to in 1978. result in a tragedy, warns Professor David Donnison, chairman of the Supplementary Benefits

Discussing the report and the final days of the commission's work before it is replaced in November by the Social Security Advisory Committee, Prof. Donnison said the most worrying aspect of the future was the plight of the single person involved in a dispute. Families would continue to get some pensioners, 20 per cent were benefit so there would be a little single person would get nothing children in 488,000 families. even if he were unable to work The average amount by being locked out. The commission was sure the government would have to change this policy but there was a real danger of somebody starving to

death first. The section of the report dealing with strikers shows that not. since 1975 the number of people without dependants and higher than 400. Payment to HMSO; £6.70.

with and without dependants, cost £400,000 in 1976 and £3.3m

Claims by strikers represent a very small proportion of the £2.5bn a year paid out in supplementary benefits. More than 80 per cent of strikes last less than two weeks which is not long enough for benefit to become payable.

The report shows that last year the cost of administering the payments was about £320m. Of the 2,850,000 people receiving the benefit, 60 per cent were unemployed. A total of 1.5m dependants included 955.000

The average amount of benefit paid to pensioners with a national insurance pension was £8.51 a week and £27.75 to those without. Unemployed claimants received an average £10.65 if they also had unemployment benefit, and £25.79 if

Report of Supplementary receiving supplementary benefit Benefits Commission for the during a dispute has never been year ended 31 December, 1979;

COMPANY NOTICES

De Beers Consolidated Mines Limited Incorporated in the Republic of South Africa

NOTICE TO HOLDERS OF DEFERRED SHARE WARRANTS

TO BEARER PAYMENT OF COUPON NO. 65

th reference to the notice of declaration of dividend advertised in the Press 20th August, 1980, the tollowing information is published for holders of the warrants to bearer. The dividend of 25 cents per share was declared in South African currency. The dividend of 25 cents per sharefulders' tax at 2.4925 cents per share with African mon-resident sharefulders' tax at 2.4925 cents per share with educated from the dividend payable to respect of all share warrant coupons of a first dividend of 22.5075 cents per share. a mer secretary of course where well be palt out or after 31st October 1980; surrender of coupon No. 55 detached from share warrants to beare

ion Sank of Switzerland haboterises 45

ing continental baying agents: Banque Bruxelles Lambert 2 Rue de la Regence 1000 Brussels Credit Suisse Paradeplatz 8 Zurich Swiss Bank Corporation 1 Aeschenvorstadt

Ag the London Bearer Reception Office of Charter Consolidated Limited. 40 Hollows Viaduct, London EC19 1A.1. Unless persons depositing coupons at such office request payment in rend to an address in the Republic of South Africa, payment will be made in United Kingdom currency either.

rency estimer:

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With the respect of coopens lodged on or after 23rd October 1980 at presaling rate of exchange on the day the proceeds are remitt through an authorised dealer in exchange in Johannesburg to London Bearer Reception Office.

and, and 3 one.

United Kingdom income tax will be deducted from payments to any on in the United Kingdom in respect of cousons deposited at the London on in the United Kingdom in respect of cousons deposited at the London or Reception Office, unless such coupons are accompanied by Inland Revenue or Revenue of contaction from 5. Where such deduction is made, the het amount he dividend will be the United Kingdom currency equivalent of 17.5 cents the respect of the following the contact of the respect of the following the contact of the respect of the following the contact of the following the fo

South Airken Currency Cents Per Share 25,0000 2.4925 5.0075 17,5000

for end on behalf of Anglo Armerican Corporation of South Africa Limited

London Secretaries
J. C. GREENSMITH 18th September 1980

ider the double tax agreement between the United Kingdom and the to 15 South Adrica, the South Adrican non-resident shareholders' tax lie to the devicend it altomable at 2 tredit assists the United Kingdom able in respect of the division. The deduction of tax at the return 20.03%, instead of the basic rate of \$0.90 represents an altowards t at the rates of \$0.90.

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West Midlands feel the pinch

THE WEST MIDLANDS industrial property market has begun to look a little sick as the recession among engineering companies bites deeper into the heart of the country's manufacturing base with plant closures occurring at the rate of almost one a week.

Commercial agents operating

lots, but it was clear that potential property and the present property of per cent.

60 per cent.

Much of the older space that before making their bids. It most before making their bids. It may be come available in recent months is in the medium to large range, of between 10,000 and fill and 30,000 sq ft—causing of the past year. Last indigestion in what was already a generally unpopular section in the percentage of work-per little sides illustrate the pressures on industrial property market is now facing in the west Midlands where levels of unemployment have risen large range, of between 10,000 and fillustrate the pressures on industrial property market is now facing in the west Midlands where levels of unemployment have risen indigestion in what was already a generally unpopular section in the market.

in the region now have more trial properties coming onto the empty industrial premises on market as engineering comtheir books than at any stage since the 1974/75 property market collapse. The effect is being declining sales. reflected in some cases by lower asking rents and special deals many other areas of the countries. being offered to potential try, has experienced a signifi-

Only this week one of the largest tracts of industrial land ever offered for sale in the West Midlands was withdrawn from auction after bidders had failed property report, estimates that auction after bidders had failed to meet reserve prices.

The 157-acre site at Marchington, Staffordshire had been offered in five lote and included 1.3m sq ft of freehold singlestorey industrial and commer-

sold by private treaty to Lich-field Securities, a wholly-owned round for this firm at around £2 to £2.35 a sq time of year.

mises are generally holding normally be expected for this firm at around £2 to £2.35 a sq time of year.

said that it was disappointing 7.8m sq ft to 12.24m sq ft to have to withdraw the five between April and mid-August

one a week.

Commercial agents operating been marked by a sharp rise in the number of empty induspanies retrench in the face of record interest rates and

> cant increase in new industrial building activity over the past there is presently around 2.2m sq ft of new unlet accommodation on the market, with a some of these older properties

Mr. Geoffrey Burcher, a een expected to have been a currently have around 50 per cent more industrial properties.

In the event the land was on their books than would pld by private these than a land was normally be considered.

of the market. Rents now being asked for

THE first of a series in which the Property Column investigates the effect of the recession on the industrial property market. This week Andrew Taylor looks at the West Mid-

further \$40,000 sq ft under con-struction, and due for comple-tion, during the next 12 months. been achieved at the start of the year. There is also a greater incidence of special deals, such

Although rents for newer premises are generally holding subsidiary of Evans of Leeds, the publicly quoted property which specialise in industrial sq ft factory on the Halesowen company, for a price thought to be around £3m.

Grimley and Son which organised this week's auction organised this week's auction and some the company of t King and Company, agents sales resistance here. A 10,710 which specialise in industrial sq ft factory on the Halesowen £2.00 a sq ft." While this may be an ex-

Mr. Peter Thorneycroft, partner responsible for industrial poperty at the Birmingham office of agents Elliott Son and Boyton says that a number of companies which may have been considering rationalisation for several years have now been pushed into plant closures by the recession and increasing financial pressures.

cent a year ago.

The strive for greater efficiency by engineering and manufacturing companies however may help underpin demand for new premises, particularly once the present building programme has drawn to a close. Here rents and capital values seem likely to remain reasonably firm in cash terms, although after adjusting for the impact of inflation, rents even to new properties, have probably been declining since the middle of last year.

region's industrial property market has been the continuing strong demand for small factory units sponsored in some cases Minimum Lending Rate of hy workers using redundancy several percentage points this money and savings to start no autumn, some of the older prebuinesses in their own right.
To meet this demand a
number of older larger pre-



pared with just under 6 per mises have been sub-divided to provide accommodation for small businesses. This week William Sapcotes and Sons announced yet another such re-furbishment scheme, this time in West Bromwich, where the company has acquired 50,000 sq ft of industrial property in Spon Lane: to be divided into units

between 1,190 sq ft and 25,000 It would be wrong to suggest that the West Midlands industrial property market is in a desperate plight. Conditions although difficult are nowhere near as bad as in the 1974-75 property market collapse, and there is still strong investment demand from institutions for

good well located properties.

However the property world is not insulated from the rest of the economy and given the strength of the manufacturing bly been declining since the sector in the region it could be some time before the present One bright spot for the difficult period comes to an end. Even if much of the pres-

sure on manufacturers was to he removed by a reduction in mises now on the market seem likely to be around for some

British Land plays a waiting game

BRITISH LAND is keeping the stock market guessing about its intentions towards J. Hepworth have been some way below the and Sons, the multiple tailors, £6.6m achieved in 1978-79. in which the property com-pany has taken a stake of almost

British Land, would say little more yesterday than that he regarded the stake as a "good investment" and that he had no immediate intention of mounting a take-over bid.

This would seem fair enough given that British Land is still digesting the recent acquisitions of United Kingdom Property and The Corn Exchange

But it is undoubtedly Hep-worth's property interests rather than its tailoring busi-ness that has attracted the attention of British Land. Hepworth, which recently announced the closure of three of them at a profit shortly after its factories in the north of acquiring the stakes.

England, has the reputation of One other ingredient to be retail properties.

carried out by Hepworth was in August, 1977 this figure may be expected to substantially understate the true value of the properties.

However, this year has been a difficult time for retailers generally and, although trading at Hepworth stores is thought

Confirmation that British Land has acquired a 4.9 per cent per cent.

Mr. John Ritblat, chairman of 12p rise in the multiple tailors' share price this week, to 94p at the start of trading yesterday, compared with a share price of 70p three months ago.

Mr. Ritblat is not saying whether he intends to increase his company's holding in Hep-worth and, given British Land's reputation in recent years as something of a stockmarket trader, it is far too premature for bid speculation.

In the past the group has built up significant holdings in com-panies like City Offices and Churchbury Estates only to sell

being a shrewi purchaser of taken account of in this rather retail properties.

Hepworth's properties, the that last year British Land sold Hepworth's properties, the bulk of which are freehold, are valued in the group's last chain to the Eurton Group in a accounts at around £67m but as complex deal by which British Land raised £4.68m cash and the freehold of 74 retained the freehold of 74 Dorothy Perkins shops

Mr. Ritblat is clearly keeping his options open at the moment but British Land must already be sitting on a reasonable profit given that its shares in Hepworth are thought to have been at Hepworth stores is thought acquired at prices some way to have improved recently, pre- below present market levels.

English Property Corporation is to sell its freehold shopping precinct at 103/123 Kilburn High Road, London NW6. The scheme which is fully let was completed in 1900 March 125 0000 1969. It comprises 35,000 sq it of space at ground floor level plus a further 16,000 sq ft of first floor space. The development is being marketed by Conrad Rithlat which is seeking an asking price of around £2.25m. Cobden Commercial Properties in partnership with the Royal London Mutual Insurance Society are to carry out a 87,000 sq ft factory and office scheme on the site of the former Fidelity Radio factory fronting the M41 in Olaf Street, Shepherds Bush. The development, which it is anticipated will command an investment value of £2.25m, is due for

completion in 1981. Joint letting agents are Frank Harris and Co. and Ridgway Prudential Assurance has paki almost £400,000 to acquire a prime freehold shop investment in the Shambles, Worcester, from Galliford Brindley Properties. The property, which has been sub-stantially refurbished, is let to Rumbelows at an annual rental of £20,000 with five yearly reviews. The sale of the freehold handled by Grimley and Son in conjunc-tion with Shipway Doble and

• Bredero, the Dutch-based development company, has been selected by St Albans City Council to carry out the long-proposed Chequer Street shopping centre development.

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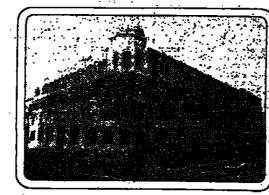
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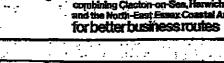
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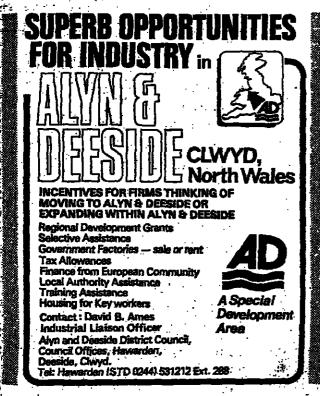




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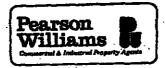


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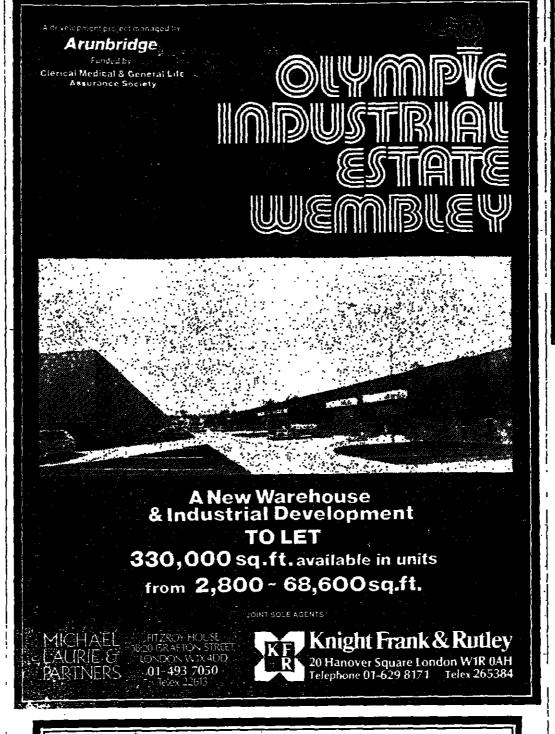
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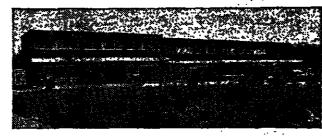


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100 hectares on south coast Tenerife, 15 kms from new international ort: detailed development zoning plan completed and approved. 50 frectares on north-west coast of Fuerteventura. 48 hectares 10 kms from north coast Fuenteventura.

Large to small plots/tracts on west coast Fuerteventura up to 1,400 hectares: general zoning plan approved. Principals only apply for details to Proprietor, Box T.5340, Financial Times, 10 Cannon Street, EC4P 4BY.

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Attractive Hotel Site 510 beds, plus full facilities inc. conference, at centre of Algarve on beach. Size or Turn Key Investment Consortium considered.

> . FIELD AND THOMAS Brighton 21375 Telex 87323 Leisura Dept., A Little East Street

APPOINTMENTS

New National Freight Board

will be responsible for the development and maintenance of

the bank's corporate business

relationships in Western Europe.

Mr. Robin Fairlie is to become

BANKERS TRUST COMPANY states it will open a representa-tive office in Belgrade, Yugo-mavia, in November and will be

the first American-based bank to

Mr. Brian Simblist

have an office in that country.

Resident representative in charge

in Belgrade will be Mr. Brian V.

Simblist, vice-president, who was previously assigned to the Bankers Trust branch in London

with responsibilities for banking relationships in Yugoslavia.

Mr. K. Swart has been appointed chairman of the super-visory board (Raad van Com-missarissen) of ROYAL

BOSKALIS WESTMINSTER NV

of Papendrecht, Holland He succeeds Mr. L. E. J. Brouwer,

who remains on the supervisory

Mr. Delwyn D. Dennis, formerly

vice-president

Assurance Company in the UK and Ireland, has been appointed

to the Board of GOOD RELA-TIONS CITY. Mr. Dennis is a director of Canada Lore of

Great Britain and Candife Unit

The board of POLYAMIDE INTERMEDIATES, 2 joint venture of Monsanto Limited

and Montefibre (UK) for the

production of nylon mediate chemicals, has been reconstituted. Its directors are:

general manager, Canada

manager (branches).

Trust Managers.

Five senior executives of the Aldermanbury, in October. He National Freight Corporation are among the directors of the NATIONAL FREIGHT COMPANY announced by the Minister of Transport. Also appointed

ter of Transport. Also appointed to the board of the new company are the five present non-executive directors of National-Freight Corporation.

Sir Robert Lawrence, chairman, and Mr. V. G. Paige, deputy chairman, of the National Freight Corporation were appointed directors of the new company by the Minister of Transport when National Freight Company was registered managing director of COLLER MACMILLAN DISTRIBUTION SERVICES, a subsidiary of Cassell and Collier Macmillan. Mr. Fairlie, at present a director of Reader's Digest Association, takes up his new position next The Lord Chancellor has appointed Mr. G. A. Barratt to be a Master of the Chancery Division of the High Court from November 24. Freight Company was registered

on June 30.

The full board of the National Freight Company is: Sir Robert (part-time chairman), also a part-time vice-chairman of British Rallways Board. Mr. Paige (part-time deputy chairman), also part-time chairman of Port of London Authority. Mr. P. A. Thompson, deputy chair-man, also chief executive, National Freight Corporation. Executive directors: Mr. B. R.

Hayward, group managing director, National Carriers; Mr. J. D. tor, National Carriers; Mr. J. D.
Mather, group managing director, special traffics; Mr. J. K.
Watson, director of finance,
National Freight Corporation;
and Mr. D. H. White, group
managing director, British Road
Secretary Services.

Non-executive directors: Mr. F. S. Law, chairman of Varta, Altana and IWKA Groups and director, B. Elliot and Co.; Mr. P. G. Scott, member, construction board of Sir Robert McAlpine and Sons; Mr. J. E. B. Sieve, director, Metal Box; Mr. P. H. Spriddell, director, Marks and Spencer; and Sir Ronald Swayne, chairman. Overseas Containers chairman, Overseas Containers and of Australia Japan Container Line and a director of Ocean Transport and Trading.
Secretary to the board is Mr.
P. A. Maye, NFC's director of legal services.

Under a Ministerial Order made on September 11, 1980, the assets, liabilities and business of the National Freight Corporation will be transferred to the National Freight Company Limited on October 1 and the corporation will cease to exist.
This is a step in the implementation of the 1980 Transport Act which provides, among other things, for the introduc-tion of private capital into the National Freight Corporation.

Mr. Nichelas Leigh, general manager of the Orpington branch of AMARI PLASTICS, has been appointed a director of the

Mr. C. H. Goldsmith, manager
Mr. Richard A. Mould has for Scotland for the Alliance
been appointed sales director of
BUILDING SOCIETY, has been AMSTRAD CONSUMER FLECTRONICS

elected by MANUFACTURERS HANOVER TRUST COMPANY as senior vice-president and deputy general manager. He will be officer-in-charge of a newly - established merchant banking group which will have responsibility for investment banking-activities worldwide.

The new group will include Manufacturers Hanover Limited, Manufacturers Hanover Limited, London, and Manufacturers Hanover Asia, Hong Kong, in New York, investment banking functions of the Corporate Finance Department, M. H. Limited activities, international asset management and a consolidation of the bank's project finance activities. Mr. Constance will continue to be based in

Mr. W. Trevor Robinson, senior vice-president and general manager of London branch, will remain responsible for all other MHT units in the UK in addi-tion to the branch at 7 Princes Street. Mr. John L. McCarthy, senior vice-president, will supervise the group in New York, reporting to Mr. Constance.

Assisting him will be Mr. Kenneth E. Macwilliams, vice-president, who will head the investment banking functions now in corporate finance, Mr. Garry Southern, vice-president to supervise current MH Limited activities in New York, and Mr. Patrick Wilmerding, vice-president, in charge of international asset management.

Mr. J. P. G. Blampled has been appointed a director of JERSEY GENERAL INVEST-MENT TRUST.

Mr. C. Bradford Kelly, vice-president at the FIDELITY BANK, joins the staff of the W. K. Smith, who retires at the end of this month. Mr. Paul F. P. Williams will be deputy to Mr. bank's London office at 60/63 Grant

BASE LENDING RATES

■ Arbuthnot Latham

Associates Cap. Corp. 16 %
Banco de Bilbao ... 16 %
Bank of Credit & Cance. 16 %
Bank of Cyprus 16 %
Bank of N.S.W. 16 %
Banque Belge Ltd. ... 16 %

Brown Shipley 16 Canada Perm't Trust... 17

Fagil Trust 16 %
E. T. Trust Limited 16 %
First Nat. Fin. Corp. 19 %
First Nat. Secs. Ltd. 19 %

7-day deposits on sums of £10,000 and under 14%, up to 550,000 14% and over £50,000 15%.

Mr. Eric Sharp (chairman),
Mr. R. O. Nellums, Dr. Franco
Pace, Mr. F. E. Reining,
Dr. Carlo Vannini and Ing.
Luciano Varalda. Mr. I. S.
Blackshaw is secretary. Dr. Leo Wehrli has succeeded Dr. A. Semadeni as management chairman of WILD HEER-BRUGG AG, of Heerbrugg. Dr. Semadeni has retired. Mr. David Paculabo has been

appointed commercial director of RACAL-DECCA MARINE RADAR following the retirement of Mr. Charles Tayler. Mr. Paculabo was previously with Plessey. Mr. Dennis Pritchard has been appointed managing director of WELLMAN INCANDESCENT

and will continue as managing director of member company British Furnaces. Mr. Douglas W. Grant, an executive director of ALEX-ANDERS DISCOUNT COMPANY, is to become managing director on October 1 in place of Mr. Ivan

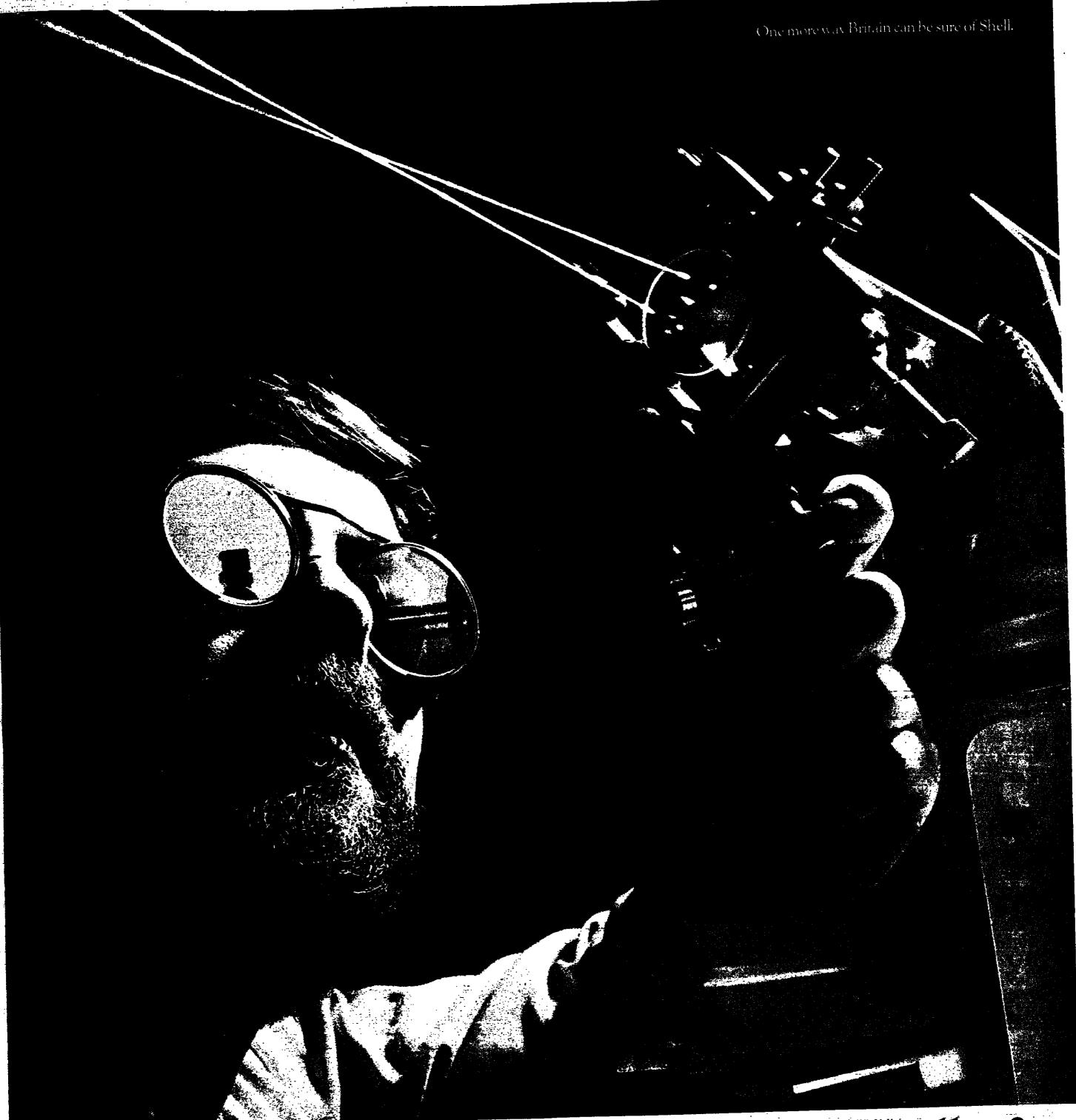
A.B.N. Bank 16 %
Allied Irish Bank 16 %
American Express Bk 16 %
Amro Bank 16 %
Henry Ansbacher 16 %
A P Bank Ltd. 16 %
Arbuthnot Latham 16 %
Associates Cap Carp 16 % Langris Trust Ltd. ... 16 og Lloyds Bank 16 og

Lloyds Bank 16 %
Edward Manson & Co. 17 %
Midland Bank 16 %
Samuel Montagu 16 %
Morgan Grenfell 16 % Banque Beige Ind. 10 %
Banque du Rhone et de
la Tamise S.A. 161%
Barclays Bank 16 %
Bremar Holdings Ltd. 17 %
Brit. Bank of Mid. East 16 % National Westminster 16 % Norwich General Trust 16 % P. S. Refson & Co. ... 16 % Rossminster 16 % Ryl. Bk. Canada (Ldn.) 16 %

Schlesinger Limited ... 16 % Schrestuger 16 & Schwab 16 & Schwab 16 & Schwab 17 & Schwab 17 & Standard Chartered 16 & Standard Chartered 16 & Standard Chartered 16 & Schwab 18 & S Canada Perm't Trust... 17 %...
Cayzer Ltd....... 16 %...
Edar Holdings..... 16 %...
Choulartons Japhet... 16 %...
Choulartons 16 %...
Consolidated Credits... 16 %...
Cooperative Bank... 16 %...
Corinthian Secs...... 16 %.
The Cyprus Popular Be... 16 %...
Dimean Lawria 16 %... Duncan Lawrie 16

Trade Dev. Bank 16 %
Trustee Savings Bank 16 %
Twentieth Century Bk. 16 %
United Bank of Ruwait 16 %
Whiteaway Laidlaw ... 161%
Williams & Glyn's Williams & Glyo's 16 % Wintrust Secs. Ltd. 16 % Yorkshire Bank 16 % 7-day deposits 14%. 1-month deposits 14%.

\$ Call deposits over £1,000 14%



How can we squeeze more miles out of your gallon? Shell's laser 'eye' reveals some secrets.



Dr. Martin Swords, Shell Scientist, Thornton Research Centre.

"One of the biggest problems in engine design is finding

out just what's going on inside while the engine's running.

Engineers have long known that the turbulence of the petrol mixture and gases swirling inside the cylinder has an important effect on performance – but the

difficulties of measuring the characteristics of a gas cloud which explodes about every 12 milliseconds, reaches 1500°C and is locked away inside thirty or forty pounds of metal, have proved insurmountable until now.

We are now able to drill holes in an engine cylinder, insert thick quartz windows and punch laser beams through the gas clouds as they mix and burn.

Using this technique we can work out the turbulence and the velocity of the gases.

Engineers and scientists can use this data to improve both the cylinder geometry and the chemistry of the fuels.

Since we estimate that this new information could help to bring about fuel economy improvements as great as twenty per cent, it is a development of some consequence.

If you think of the difference such a saving would mean to you, it's easy to see why we think this work is so important."

FINANCIAL TIMES SURVEY

Friday September 19 1980

FRANKEUR

Frankfurt continues to thrive as a leading centre for European trade and international finance, despite a physical environment that leaves much to be desired. Described as 'ungovernable' in the early 1970s, it is now a more peaceful place. Yet the city's very success has also left a legacy of intractable social problems.

wanting to be loved

By Kevin Done

FRANKFURT is a city that very much wants to be loved. Perhaps befitting the place that is the capital of West Germany's advertising industry it appears to be obsessed with its image. In the post-war development of the Federal Republic it has emerged as the country's undisputed financial capital, it is the centre of one of the most dynamic trading and industrial egions in the whole of West Germany, the focal point of the country's communications, whether by air, rail or road and has by far the highest per capita gross domestic product of any of the big German cities. But it is not loved.

taken delivery of a report from one of the country's leading ppinion research institutes, which indicates that 78 per cent of the people answering a sample question on the reputation of the major West German cities think that Frankfurt does "not have a good reputation."
Only 6 per cent think it does. Munich is held to have "a good high salaries than by the num last 35 years.

reputation? by 70 per cent of ber of children's playgrounds. those questioned, and only 2 per It is important to them the cent think it does not. As the survey delves deeper into people's attitudes towards

the city, examining the perception of Frankfurt both through interest the eyes of its inhabitants and of people who have never, or have only rarely visited it, it begins to become clear that Frankfurters themselves are not all so ill-disposed to the city as has been popularly supposed. Nearly one in four Frankfurters say they would like to live somewhere else, but three out of Dissatisfaction in the other

big towns of the Federal Republic is certainly less, but not sub-stantially. Where the study finds the biggest discrepancy. however, between the attitudes of Frankfurters and the inhabitants of other large cities is among the recent arrivals. As many as 57 per cent of the people questioned who had lived in Frankfurt for only five years or less said they would like to live somewhere else. The equivalent figure for the other big cities is only 26 per

The study offer few ready solutions to the problem, but it does present an identikit pitcure of the sort of person who would most likely to feel himself The city authorities have just at home in the Main region's metropolis. Frankfurt enthusiasts — and the study does turn up some people who say that Frankfurt would their first-choice city in tracks.

It is important to them that

their city should be the location of the headquarters of major banks, companies and institutes. They have an above average interest in "gourmet" restaurants and culturally they go especially for "concerts with

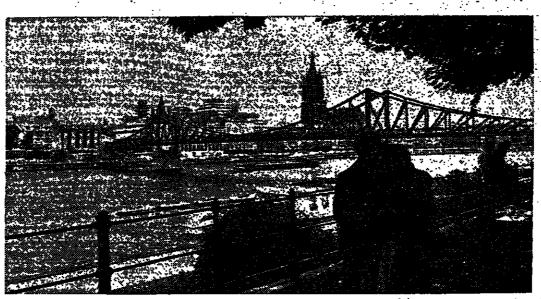
famous musicians."

It is this Frankfurt enthusiast, who perhaps holds the key to how the Frankfurt of the future will develop-or at least to how the city will encourage "the image of Frankfurt" to develop. For the city authorities appear every four say they are content to be taking seriously the advice they are getting from advertising moguls that there is only one way to change a bad product image. Do not preoccupy yourself with the negative features, just find enough positive ones to stress to obscure

> Beneath the image, however, the realities of Frankfurt have already started to change. It is, for example, a much more peaceful place than it was 10 or even five years ago. And the city has given up too the attempt to try to demolish its past and to replace it with a utilitarian present.

Air raids

The magnitude of the task of rebuilding the city after the Second World War cannot be underestimated. Four-fifths of all the buildings had either been damaged or destroyed during 33 air raids. Of 177,000 homes in the city in 1940, only 93,000 remained standing in The population had to live—think that sophisticated shrunk by more than half to transport communications are 265,000. The history is importmore important than bicycle ant because the appearance of dynasty, which has been run-tracks. They are more moti- the city now has chiefly been ning trade fairs at least since



An attractive panorama over the iron footbridge towards the Cathedral. But elsewhere in the city, property speculation and poor planning have left visual scars

rebuild winding medieval dramatic streets and the narrow gabled forward or buildings. Instead, Frankfurt was re-constructed on modern focus of one of the most lines in reinforced concrete and prosperous regions of West glass, with wide roads suitable Germany, the main work-place for cars but with little attraction for people. One could be forgiven for thinking that what was not destroyed in five years of war has subsequently been developers.

What was not damaged, however, was Frankfurt's natural location as a crossroads for European trade and as a centre for international finance. It was the city after all which gave the world the Rothschild

exchange in 1585. In the foreign population — one in dramatic economic surge every four people in Frankfurt dramatic economic surge forward of the post-war period that has made Frankfurt the for a population of some 2m conurbation, its trading and financial pedigree has never been in doubt. What was lacking in the planning, however, was a feeling for the human scale of life, for life lived at

 Frankfurt missed narrowly in the vote to become the capital of the new Federal home of the Bündesbank, the West German Central Bank, and with the rise of the Deutsche-

street level.

is non-German, a sign of this economic dynamism

It is now the base for 338 banks, of which 186 are foreign institutions, and it is the international headquarters of three of the world's largest: Deutsche Bank, Dresdner Bank and Commerzbank. It has the most highly developed tertiary sector of any German city, is the capital of the West German advertising industry and the home of countless trade federaout tions-including the associations of the motor car, mechanical engineering and industries, three of the largest sectors of German industryand it has as well the headquarters of the western world's largest trade union, L.G. Metall. Frankfurt itself is still rela

tively small with an official population at the beginning of the year of 631,234, but it is the workplace of a much larger population. It has some 520,000 jobs and counts among its day-time population around 250,000 commuters. The city's gross domestic product amounted to DM 37bn last year. Although only some 631,000 of the 2m people in the Rhine/Main con-urbations live in Frankfurt, the workforce employed there accounts for more than 80 per cent of the region's gross

domestic product. Despite the concentration of service institutions, the industrial presence in Frankfurt is appreciable too. In 1978 it had 281 industrial companies employing 30 people or more with a workforce of 105,000 and an annual turnover of more than DM14.8bn. Around 44 per cent of this comes from the chemicals industry, including world names such as Hoechst and Degussa, and about 29 per cent from electricals and electronics manufacture, including AEG-Telefunken.

Vacancies

During the recession of the mid-1970s the number of jobs in Frankfurt declined along with the contraction of the national economy, but there has been a significant recovery since 1977 not make the city any less with the number of job places attractive for newcomers and rising by 3 per cent. The city has an unemployment rate of about 2.9 per cent with 13,600 registered unemployed. But is the creation of a "Japan against this there are at least Centre." A consortium of lead-10,000 officially notified job ing Japanese banks, industrial

The city's GDP rose by 8 per

CONTENTS

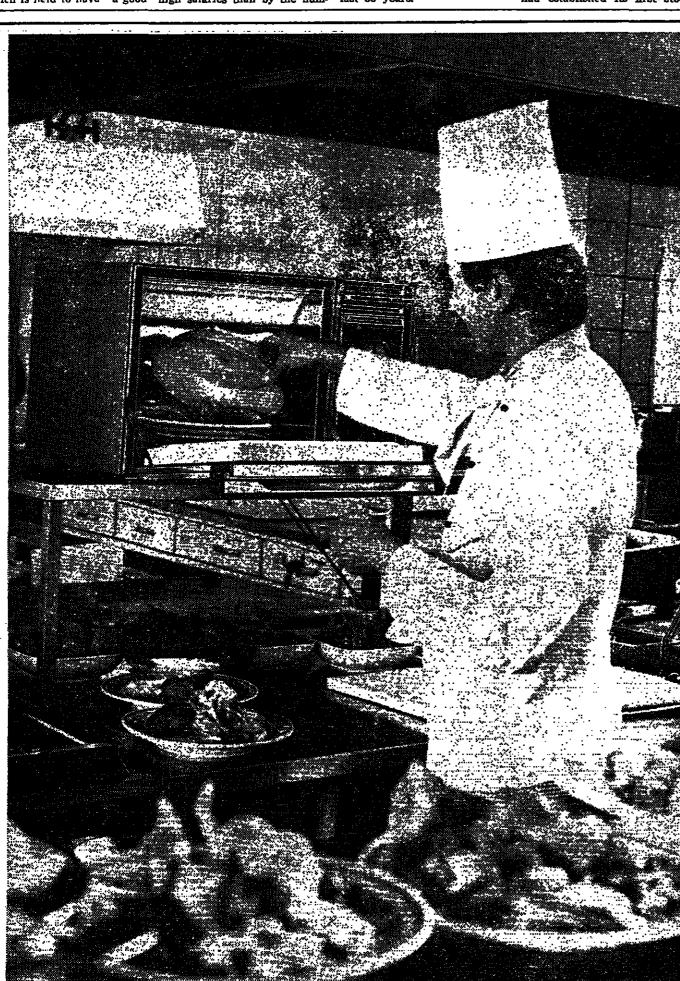
taxes on the profits and assets of local undertakings. For many years the tax rate on companie

in Frankfurt was the highest in the whole of the country, but changes in the Federal tax structure have now pushed other cities, such as Munich, out. in front. The city's draft budget of around DM 3.8bn will be slightly in deficit as a result next year, but there are no plans for changing the rate according to the City Treasurer.

The recovery in the local economy has also meant that the stock of some 750,000 square metres of empty offices that was standing empty in the city at the end of 1977 has been more than halved to around 340,000 square metres.

The squeeze on space one of the most interesting property deals that is being negotiated behind closed doors companies and trading houses is discussing intently with the cent in nominal terms last year, city the possibility of acquiring an important point for the city's a prestige site, which would finances as a major part of its both act as a centre for

CONTINUED ON FACING PAGE



This Amana Radarange microwave oven brings fine food to gourmets on the go.

If it was true at one time that fine food and fast food were mutually exclusive, it isn't any longer... not since the advent of microwave cooking. That's particularly true at the Autobahn Restaurant near Würzburg, West Germany. They use an Amana Radarange microwave oven as an essential part of their food preparation process. Travelers who dine at this well-known restaurant are assured of a delicious meal without sacrificing their time. In fact, a leading publication recently named it the Autobahn's best restaurant.

It is not surprising that superb food and Radarange microwave ovens are practically synonymous. After all, Raytheon invented microwave cooking 35 years ago, and in 1967 Amana Refrigeration, Inc., a Raytheon company, perfected the first countertop model.

The rest is history. Microwave ovens are now

a billion-dollar-a-year industry and Amana. continues as a leader. Today, people throughout the world use Radarange microwave ovens as well as other Amana products-energysaving refrigerators, freezers, air conditioners, and a full line of conventional cooking appliances. In fact, Amana and four other subsidiary companies make Raytheon a very large and diversified manufacturer of major appliances.

Raytheon...a \$4.3 billion company in electronics, aviation, appliances, energy, construction, and publishing. For copies of our latest financial reports, contact any of the offices or companies listed below or write: Raytheon Europe, 52 Route des Acacias. 1227 Geneva, Switzerland, or worldwide headquarters, Raytheon Company, 141 Spring Street, Lexington, Massachusetts, U.S.A. 02173.

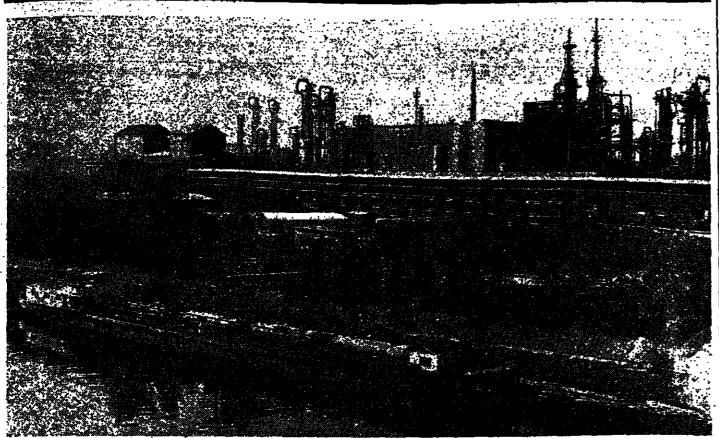


FOR INFORMATION ON AMANA APPLIANCES: Amana Refrigeration of Europe, Inc., Frankfurter Allee 45-47, D 6236 Eschborn T/s, West German

RAYTHEON COMPANIES IN EUROPE: Electronics: Cossor Electronics Limited, Harlow, Essex, England • Data Logic Limited, Greenford, Middlesex, England • Raytheon Copenhagen, Denmark • Raytheon Halbleiter G.m.b.H., Munich, West Germany • Raytheon Marine Limited, London, England • TAG Semiconductors Limited, Zurich, Switzerland • Transistor Ban-und Ventriebsgesellschaft G.m.b.H., Karlsruhe-Durlach, West Germany • Wire und Cable: Electrical Installations Limited, London, England • Le Fil Dynamo, S.A., Meyzieu, France • Greengate Cables Limited, Manchester, England • Klasing G.m.b.H. & Co., Ingolstadt, West Germany • Lacroix & Kress G.m.b.H. & Co., Bramscho, West Germany • Sterling Cable Company Limited, Addermaston,

RAYTHEON OVERSEAS LIMITED, EUROPEAN OFFICES: Bonn, Brussels, London, Madrid, Paris.

FRANKFURT II



A tanker transports organic chemicals from the Hoechst complex at Tor Ost to other plants. The company produces a huge range of products, from pharmaceuticals to paints

Service industries ensure low rate of unemployment

THE RAPID expansion of Frankfurt as a base for commerce and industry, besides the country's major financial centre, has started causing problems for companies seeking to expand their operations in the city or set up new undertakings. Space for growth is at a premium, although this has had little obvious effect in limiting demand.

For many commercial concerns, particularly those highly exposed sectors such as advertising, the acquisition of a Frankfurt address is still worth a struggle. And the position of the city as a crossroads for trade is sufficient incentive to continue drawing major retailers and wholesalers to the city.

Frankfurt inevitably has a very large tertiary sector trade, transport and serviceswhich accounts for some 68 percent of the city's Gross Domestic services sector is most marked Product of around DM 37bn, by the concentration of the compared with 32 per cent from advertising industry in the city. manufacturing industry. In Because of its international aircommon with most parts of the port, Frankfurt has long served slight decline in activity as a to Europe for the U.S., with the result of the recession of the result that many of the mid-1970s mid-1970s. The number of jobs ing American advertising in the city fell by around 7.2 agencies have stuck up their per cent between 1970 and 1977. nameplates in the city.

Jobs magnet

is a magnet for employment in big ten Frankfurt agencies the whole Rhine/Main region.

Around 250,000 people com
of more than DM 2bn and the

of about 2m in the Rhine/Main ing companies, photographic region, there is still a shortage studios and market research of skilled workers. The unemployment rate in

the city is very low, at around

WORKFORCE AND SALES OF FRANKFURT

- 	Companies	Workforce	Turnover DM m
Total industry	281	104,900	14,811
Chemicals	30	38,700	6,497
Electrical/Electronic	45	26,300	4,335
Mechanical engineering	49	11,000	988
Road vehicle manufacture	16	4,600	549
Food	19	4,500	728
Printing	39	4,400	379
Precision engineering	9	3,100	63
Hardware products	13	2,400	184
Non-ferrous metals	5 ·	2,000	206

earlier. By last month there were only 13,600 unemployed registered in Frankfurt against as many as 10,000 officially notified job vacancie

Besides banking, the city's

In recent years Frankfurt has clearly taken over from Dussel-The last two years have shown a marked recovery, however, to around 520,000. Since per cent of the industry's the city of Frankfurt only has expected turnover this year of a population of some 631,000, some DM 12bn will be derived it becomes clear that the city from agencies in the city. The mute daily from the surrounding area into Frankfurt. But although companies and institutions in the city can call on the labour resources of a population available in the shape of prints of about 2m in the Phine (Main in the city can call on the shape of prints).

institutes. Of the top 20 West German advertising agencies, 13 have 2.6 per cent in August — a drop their head offices or branches in from about 2.9 per cent a year Frankfurt. The list is headed

INDUSTRY

_		Turnover DM m
281	104,900	14,811
30	38,700	6,497
45	26,300	4,335
49	11,000	988
16	4,600	549
19	4.500	728
39		379
9		63
13		184
5 ·	2,000	206
	281 30 45 49 16 19 39 9	30 38,700 45 26,300 49 11,000 16 4,600 19 4,500 39 4,400 9 3,100 13 2,400

by firms such as McCann Erick-son, Lintas, Deutschland, J. Walter Thompson, Young and Rubicam and H.O. and M. No other German city has

such a concentration of service activities. Indeed, some local politicians have begun to express concern that Frankfurt's ing its activities throughout the employment structure is becoming unbalanced—and this has expressed itself most obviously River Main in the city centre, in the towering office blocks was brought to the verge of that crowd the city landscape. financial collapse last year, but The invasion of the west end of was rescued by the combined the city one of the prime old actions of banks, insurance comresidential areas, by property speculators in the early 1970s has more or less been brought to a halt. But by the mid 1970s the frantic period of office building had resulted in a sur-plus of around 750,000 sq m of empty office space in the city.

Empty offices

The developers were caught unawares in Frankfurt, as in so many other large cities, by the fierceness of the mid 1970s recession. In the last couple of years, however, their fortunes have improved and some estate agents are even warning again of a future shortage of suitable accommodation. The latest figures available from the city authorities indicate that the stock of empty offices has been cut by 55 per cent in the last two years, to around 342,500 sq

m at the end of 1979.

The demand for industrial sites has also grown considerably in recent months with the chief interest coming from com-panies already based in the city and seeking to expand. The city authorities no longer have any comprehensive industrial estate areas available, their stock amounting only to single uncon-

nected sites. In the port areas, sites are still to be found, but often only as leasehold developments. The private sector presently has around 800,000 square metres available for new uses, although much of this land would need to be redeveloped and already contains existing premises. This can make valuation difficult for

potential buyers.

The major industrial activities already established in Frankfurt are heavily weighted to haree main sectors, chemicals, elec-tronics and mechanical engineering. In the immediate engineering. In the impediate surrounding area, however, the motor industry is strongly represented at Rüsselsheim. The largest West German works of Opel, the German subsidiary of General Motors of the U.S. is based in the city. Frankfurture lake the say important metals also has an important metals processing sector with the head-quarters of companies such as

Metallgesellschaft and Degussa.

Around 43 per cent of the
city's industrial production is sold in export markets, and the important operations of Frank-furt companies overseas are enhanced by the presence in the city of leading building, con-struction and process plant engineering concerns such as Philipp Holzmann and Luigi. Nearby Offenbach is the centre of West Germany's leather industry and the site of the leather sector's national trade-fairs.

With such a wide variety of activities, Frankfurt is better protected than most industrial areas from the vicissitudes of national and world trade. But the area could soon begin to

in some of its more important industrial sectors, such as the motor industry and chemicals. Opel, one of West Germany's

largest volume car producers, is cutting its Rüsselsheim work force by more than 5,000 because of falling demand, particularly for its larger models of 2 litres capacity and above. And leading chemicals producers in Hesse-Frankfurt and the surrounding area is the home of several world names including Hoechst, Degussa, Rütgerswerke and F. Merck in Darmstadthave warned recently that the slump in demand for many chemicals products could lead to short-time working in some

Equally, the electronics sector is coming under growing pressure in its home market from Far East competition. One of Frankfurt's largest companies, AEG Telefunken, with a West German workforce of some 120,000, is currently restructur country. The company, which has its headquarters beside the was rescued by the combined panies and other leading Ger-man industrial groups. As a result of the financial rescue, some of the biggest of the Frankfurt banks, such as Deutsche Bank and Dresdner Bank, are now among AEG's

largest shareholders.
Further down-river is the headquarters and main manufacturing base of Hoechst, the world's largest chemicals group, with a world-wide turnover last year of DM 27on. Hoechst is one of the three independent operating groups of the old German chemicals giant I. G. Farben, which was split up by the Allied forces after the Second World War. (The former L. G. Farben headquarters office-block still stands in the centre of Frank-furt, but it is now the HQ of the U.S. forces in the city.)

From one of the most densely concentrated chemicals sites in Western Europe, Hoechst produces a huge range of products, ranging from pharmaceuticals and plastics to dyes, pigments, paints, fibres and resins.

The existence of such a massive chemicals complex in the middle of a densely-populated region like Rhine/Main is inevitably not without problems, and Hoechst has been the object of fierce attacks by local environmentalists. The company is doing much to reduce the impact of its plants on the sur-rounding environment, and in the last 10 years has invested more than DM 250m in cleaning up the discharges from its chemical plants in the Rhine/ Main region alone.

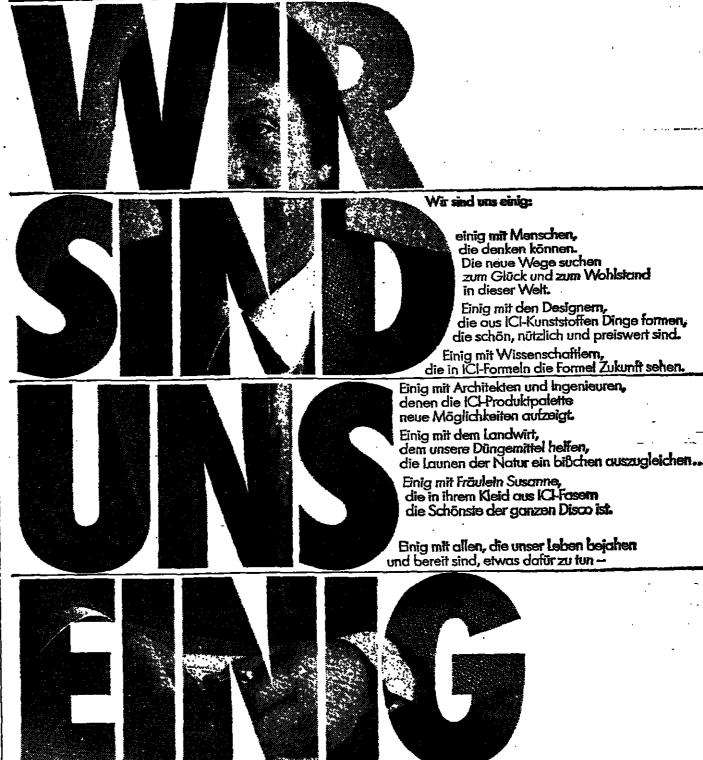
Pollution

About 300 installations have been built to try to purify water discharges from the plants to cut pollution of the River Main. But incidents still occur, when inadequately treated chemical waste escapes into the river.

about a third of the turnover of Frankfurt's total economy.
with sales of around DM 36bn in 1978. The wholesale and retail trades support more than 6,500 companies in Frankfurt, employing more than 84,000 people. The population of the surrounding region makes the city a focus for retailers and large department stores. The city accounts for around 45 per cent of the state of Hesse's

The concentration of service and commercial activities in Rhine/Main means that many trade federations and trades unions have also selected Frankfurt as their national base. The motor, electrical and chemical trade associations are all centred in Frankfurt, as is the headquarters of IG Metall, the largest trade union in the western world.

Kevin Done



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Image problems

CONTINUED FROM PREVIOUS PAGE Japanese business and as a

show-case for Japanese goods in ruin. Germany.

The deal appears to hinge

rhe deal appears to hinge parily on the creation of a Japanese school in Frankfurt; it would be only the second Japanese "Europa" school after London. The effort does not seem to be the least impaired by the existence already of a Japanese Centre in Disseldorf and it has recently Düsseldorf and it has recently been boosted by the up-grading of the Japanese consular presence in Frankfurt.

With such a flow of finance and commerce, it is perhaps not altogether surprising that Frankfurt has not always been at peace with all its citizens. In the early years of the 1970s it earned the description of being "ungovernable" as it was hit by scandals in local govern-ment, student turmell, blatant property speculation and chaotic traffic conditions caused not least by the building of the new underground system through the centre of the city. It is now without doubt an easier place to live in than then and within a couple of years the

building site.
The underground construction in the centre will be over by 1982, major shopping streets will be turned into tree-filled pedestrian squares, and the scaffolding will finally come off the old Opera House, epened in 1880 as a replica of the Paris Opera but nearly destroyed in the Second World War, which often become unbearably warm for 12 years was the subject of and humid because of the lack bitter dispute between leading of wind movement to clean the citizens of the city who wanted to re-build it and the Social ever, is something for which the planners and image-makers which wanted to leave it as cannot be held responsible.

centre of the city too should finally cease to resemble a large

"Germany's most beautiful

After about 30 years of Social Democrat domination the city astonishingly fell to the Christian Democrats, who had appeared condemned to being an eternal opposition in 1977, and the hand-over of power has been performed remarkably smoothly. Ironically, after so many years of trying to stamp on the past, the city's politicians are turning back to Frankfurt's historical heritage and Goethe's city is even planning to re-construct some 15th Century houses on the historic Romerberg, where for several centuries the German emperors walked to their election and coronation.

Traces of the radical Frankfurt of 10 years ago, the city which with Berlin and Paris was the focus of the student revolt are now hard to find. But they do live on in the character of Daniel Cohn-Bendit, then one of the leaders of the turmoil at the Sorbonne, now the publisher of a Frankfurt underground newspaper. The police water cannons paper. The police water cannons and tear gas bombs are rarely today in evidence although they do still accompany the occasional political demonstration or house occupation.

While the political climate has become a stringly transmit.

has become distinctly tranquil, the physical climate is as unpleasant as ever. Frankfurt lies in a depression, causing polluted air to hang over the city for long periods. It is possible to escape to the surrounding hills,

A fair prospect for success in international trade

FRANKFURT has been a cross- Cologne and Düsseldorf. Han- exhibitors from about 30 London, Paris, Vienna, Milan, geographical centre of West first independent staging in roads of international trade for over has by far the largest exhi- countries—had more than 1m and Amsterdam it employs full- Germany, which enhanced anew February this year. several centuries and its modern bition centre, with around visitors when last staged in role as one of West Germany's 500,000 leading centres for industrial covered halls. It is more than and trade fairs draws on a tradition established at least as Cologne, which have around long ago as 1240. Today its 200,000 square metres each. annual Spring and Autumn fairs for consumer goods are taken as by just one massive annual one of the most important barometers of the state of the West each summer. The city is handi-German economy, while its capped by its more difficult geospecialist industrial fairs for graphical location, while Frank-textiles, motor-cars, books, furs, furt and Cologne achieve far chemical plant and—since this larger turnovers by the freyear — musical instruments quency and variety of their attract a worldwide audience. The competition between the

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Federal Republic's leading exbut at the top of the industhere are only four cities which can justifiably claim

square metres of September, 1979. twice as large as Frankfurt and Hanover, however, is dominated

Frankfurt also plays host to the fair which exerts the hibition centres is fierce, strongest attraction for the public. its biennial Interna-tional Motor Show. This exhibiits biennial Internation, in which most of the

The coincidence last year of the motor show with other Cologne, which have around major occasional fairs such as Achema, the chemical plant makers' exhibition, meant that the Frankfurt International event—its industrial exhibition reach summer. The city is handicapped by its more difficult geotyped by its more difficult geotyped location, while Frank-

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As an exhibition centre, however, Frankfurt is chiefly marked by the international character of its fairs. To maintain its presence worldwide it has established a chain of foreign representatives in major the world world's leading car manufac- cities in more than 50 countries. Frankfurt, turers participate—some 1,300 in important centres, such as

At the biannual trade fair for clothing textiles, Interstoff, as an independent event drew 70 per cent of its exhibitors from outside Germany. Heimtextil, held each January as the largest international trade fair for home textiles and floor coverings, attracts around 50 per cent of its exhibitors from

The city's development as a trade fair centre since the end of the Second World War has undoubtedly been helped by the partition of Germany into two states. Frankfurt suddenly states. Frankfurt suddenly found itself very much at the

its role as a cross-roads in European trade. But just as lished itself as the single largest importantly it was able to pick market place in the world for up to 80 per cent of the 800 up major shows, which tradi-musical instruments, music exhibitors are foreign, and 64 tionally had been based in accessories and music pubper cent of the visitors come either Berlin or Leipzig. From lishers products. The number from abroad. Frankfurt's new Berlin came the International of exhibitors at next year's show Music Fair, established this year Motor Show in 1951; in the same is expected to Jump to more year, Frankfurt captured the than 600 compared with 450 in Furs Fair from Leipzig. Four 1980. years later the Book Fair also It moved from Leipzig to Frank-

> staged in October, is the world's director of the Frankfurt Fair largest book-market. Almost organisation, the remaining 11 5,000 publishers take part, of branches of the consumer whom around 75 per cent come industry represented at the from 90 countries outside the Federal Republic. The Fair covers not only books, but also

> The essence of the Frankfurt different time of year. trade fair tradition, however, is contained in the city's Spring attract around 3,000 exhibitors, and Autumn Fairs for consumer and Autumn Fairs for consumer with about one-third coming goods. The first historical from outside Germany. Conrecords making direct reference Spring Fair was confirmed when

> Imperial protection meant show windows, shop-fitting that merchants travelling to and advertising. As many as Frankfurt for the fairs were 100,000 trade buyers turn up for guarded from highway robbery, the Spring Fair, with slightly rather frequent occurrence. Unfortunately such imperial the present day and the modern lines, although its shareholders trade fairs are also something are the two major local authoriof a magnet for specialist criminals. Pick-pockets, for example, are attracted by the sudden influx, particularly of foreign

Pick-pockets

After the latest Autumn Fair, which ended earlier this month, the local police authorities confirmed that a number of pick-pockets with long-established Interpol records had been picked up in Frankfurt, some operating from home bases as far away as South America.

Since the late 1950s the Frankfurt fair authorities have been moving towards greater specialisation of the Autumn and Spring Fairs, with the more successful branches striking out to set up independent fairs in their own right. The first move in this direction was made in 1959, when the clothing textiles industry set up its own trade fair, Interstoff. This show has successfully taken root and can now count on around 24-25.000 visitors to its biannual fairs. with around 60 per cent of the abroad. Interstoff allows them to watch the latest trends emerging in clothing textiles which will shape the fashion collections of the following year. In 1971 trade exhibitors of

household textiles decided to follow a similar path with the result that they set up the independent Heimtextil show coverings. Some 55,000 to 60,000 trade visitors are attracted to this fair each January, of whom around 30 per cent come from abroad. The latest offspring of the Spring and Autumn Fairs is the Frank-

candidate for independence could be. According to Herr Frankfurt Book Fair, Alfred Schnorr, the managing industry represented at the Spring and Autumn Fairs all whole fair could be weakened if maps, globes, speech records one sector were to be removed and audiovisual products. The Spring and Autumn Fairs

sumer goods are displayed from to the Frankfurt Fairs have about 40 countries with the con-been traced back to 1240, when centration on particular themes the then Emperor, Friedrich II, such as table settings (glass, placed the autumn fair under china ceramics, metalware, arts imperial protection. Some 90 and handicrafts), personal handicrafts), personal vears later the existence of a accessories (jewellery, smokers products, watches, handicraft similar imperial safeguards items, cosmetics and hairdress-were issued by the Emperor ing products), home decor, Ludwig the Bavarian (Ludwig paper, office supplies and stationery and products for

The Fair organisation itself protection has not continued to is set up on private company ties: the city of Frankfurt, with 60 per cent, and the state of Hesse with 40 per cent. Unlike other major fairs in West Germany, such as Cologne and Hanover, Frankfurt also allows outside organisations to arrange fairs on its grounds, acting in this function merely as a land-

> The Frankfurt Fair organisation had a turnover last year of around DM 84m. But there was an additional turnover last, year of some DM 50m derived from the independent staging of the four major shows for motor cars, books, furs and chemical

The facilities offered in Frankfurt for exhibitors have expanded rapidly in the postwar period. At the first fair organised after the War, in the autumn of 1948, only 12,000 square metres of covered hall space was available. The overflow of exhibitors was accommodated in tents or nearby school-rooms. Today the Fair has just over 200,000 square metres of covered halls avail-Show, Achema the chemical plant exhibition, and the Spring organisers stretched to meet demand.

The Frankfurt Fair is therefore about to embark on a fiveyear DM 360m expansion programme, which is designed to increase the available covered exhibition space to around covering home textiles and floor 250,000 square metres. At the same time many of the facilities will be modernised and covered paths and moving walkways provided between all parts of the fair ground. The investment has been approved by the board of the Frankfurt Fair company, furt Music Fair, which had its although it is still to receive



Two Frankfurt traders warm to the task of selling furs—one of the many kinds of consumer goods exhibited at the city's trade fairs

WEST GERMAN	TRADE FAIRS
	Visitors
FRANKFURT	340 mm
Spring Trade Fair (1979)	112,617
International Motor Show (19)	79) 1,071,000
Sanitation, Heating, Air Condit	ioning (1979) 223,946
Achema—Chemical Plant (1979)) 175,692
Book Fair (1979)	-193,857
HANOVER	
Industrial Fair (1980)	544.000
EMO Machine Tools (1977)	
Constructa (1978)	180.009
Didicta—Education products (1	
COLOGNE	
ANUGA Food and Nutrition (1	979)137,591
IFMA-Motorcycles and Bicycle	es (1979) zoz,061.
Photokina (1978)	122,691
International Furniture (1980)	111.800

the final seal of approval from and dining a potential client is of virtually splitting the fair-grounds into two separate show-

To fund the ambitious expenditure programme, the Fair will introduced gradually, although have to call for the first time a direct road from the motoron its shareholders for the finance, but the city of Frank- parks is still only in the planfurt and the state of Hesse are ning stage. Equally the city of unlikely to object. They are Frankfurt itself is not able both aware that their "divi- alone to deal with the flood dend" from the Frankfurt Fair of visitors seeking overnight does not come in a direct cash payment but in what the Fair trade fairs. But Herr Schnorr means for the local economy is confident that the surround-and for the image of the region ling region can more than cope.

Hotel bookings

to the local economy. The spend- available. ing flows in the form of hotel bookings, transport, souvenirs exhibition centres have gated and entertainment of guests, as well as in the local labour re-

The value of each trade fair to the region clearly varies widely and is not just based on the number of visitors. The International Motor attracts more than 1m visitors, but most come by their own transport, and entertainment might be limited, says Herr Schnorr, to a sausage from a stand." The spending of, say,

the final seal or approval from the Fair's ultimate political in another league, while the masters in the city and state taxi drivers are most fond of assemblies. The expansion will the book fair visitors. "They also achieve much greater usually do not have chauffeurs;" flexibility for staging smaller says Herr Schnorr, "but they trade fairs with the possibility tend to be a bit more intellectual and value the thinking time offered by a taxi journey.

Better access by car to the exhibition grounds has been accommodation for the larger Frankfurt has some 16.000 hotel beds, while the city and the hinterland together—taking Herr Schnorr estimates that in nearby towns such as Mainz, the existence of the Fair contributes at least DM 500m a year have about 40,900 hotel beds

Accord

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Inevitably other international at the selection of Frankfurt shows to see where they might stage competing attractions, but Herr Schnorr sees no immediate chief threat in the short term lies perhaps in Paris' decision to internationalise its textiles exhibition, Premiere Vision, for the first time this year, That could spell hard competition ahead for Interstoff in Frankfurt, although no loss of interest

The rise and rise of a financial metropolis for world banking

of the Deutsche Mark since its centres of the world. creation in 1948, the city of Frankfurt has risen too. First it became the financial centre of the Federal Republic, and later creation in 1948, the city of

Head Office

ALONGSIDE THE rise and rise one of the leading financial a financial metropolis for insti-of the Deutsche Mark since its centres of the world. Its physical appearance is

is eloquently demonstrated by a list of 186 foreign banks which currently maintain a presence in the city, through branches, representative offices or full subsidiaries.

The attraction of Frankfurt as a location both for foreign and German banks lies not least in the fact that the city is also the home of the Bundesbank; the West German Central Bank, probably the most independent of the world's leading central

Written into the legislation which established the Bundesbank are clauses which confer on it a particular independence of the Federal Government in Bonn. It is required to support the Government's general eco-nomic policy, provided that this support is consistent with its overriding first duty of safeguarding the value of the

The Bundesbank has main-The Bundespank has man-tained a tight monetary policy in recent months, while trying to ensure sufficient liquidity to allow modest growth in the economy. Its key interest rates, the discount and Lombard rates, have since May been at a record level, reached only once before in the post-war period for a few months in 1970. Under its new President Herr Karl Otto Pohl, appointed at the beginning of the year, the Bundesbank's policy has caused the West German banking community no end of problems. The tight grip kept on the money supply and rising interest rates appeared to catch many of the banks — even leading world institutions such as the

bank—by surprise. As a result, after tax profits in the banking sector slumped by 13 per cent last year.

The Central Bank has also

faced problems in the last sine months, however. It has been struggling to come to terms with the implications of Germany's soaring account deficit on the payments caused chiefly the steep rise in oil ices. The deficit is expected year, compared with DM 10bs in 1979, when the first current ac-count deficit -since 1965 was

Interest rates

The biggest problem for the Bundesbank is contradictory pressures from home and abroad. Domestically, it is coming under increasing pressure from the trades unions and sections of the Social Democrat Party—the senior party in the ruling coalition in Bonn—to re-lax its monetary policy by lowering interest rates. The purpose would be to inject same life into the flagging economy. Bundesbank is having to try to finance the current account deficit through the capital markets. It is well awars that a cut in interest rates would hardly make the job of importing capi-

At present the Bank is attracting sufficient capital from abroad, but the position is polatile. The Bundesbank had to let its foreign currency reserve —admittedly still the highest of any industrialised country decline by more than DM 200

CONTINUED ON NEXT PAGE

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Social problems multiply in a booming economy

FRANKFURF LEADS the West Groups of foreign nationals German crime statistics. It has who came to Frankfart because taken over from Amsterdam as of their jobs with multinational the centre of the West European heroin trade, and it has a higher conceptration of foreigners than any other German city.

rubble of the Second World The biggest social problems war has left the city scarred are developing among immi-War has lett the the state of by the excesses of property specifiation, and lack of planning. Much of it was rebuilt with functional concrete apartment and office blocks, lending a faceless, anonymous character to wide areas of the city.

Certainly Frankfurt's social problems are not very different from those facing many of the world's major conurbations, but they often exist in exaggerated form. As a major cross-roads in Europe, the city has always had a fluctuating cosmopolitan population, but modern forms of transport have brought the city within easy reach of a much larger world.

The booming local economy has made Frankfurt a natural target for foreign labour from poorer countries. It is doubtful whether the city and much of its surrounding industry could function without the Gast-arbeiter (foreign "guest" wor-kers) workforce. The city also bears the burden of being the base for around 20,000 U.S.

With its concentration of foreign banks and foreign companies, it has, too, a large population of foreigners in managerial positions. And because of its major airport—the largest passenger airport in Western Europe after London Reathrow—the city has received the recent wave of political and economic refugees from Afghanistan, Turkey, India, Pakistan, Eritrea and Somalia,

all seeking political asylum in West Germany. As a result, every fourth person in Frankfurt is non-German, a situation which is setting the city authorities formidable problems in integrating its foreign communi-

Racial mix

According to Dr. Walter Wallmann, the Lord Mayor (Oberbürgermeister) of Frankfurt, the city now has a legally registered foreign population of about 140,000, excluding the U.S. forces. But the figure is even higher when those living in Frankfurt illegally are taken into account. The main foreign grouping is made up of Yugoslavs, accounting for about 20 of both Right and Left. As many per cent of the official foreign as 60,000 Turks in the Federal population, followed by Turks Republic — some 12 per cent of (18 per cent), and Italians (14 per cent). There are also appreclable numbers of Spaniards, of groups such as the Grey Greeks Moroccans and Portu- Wolves, supporters of the guese, and the surge in the past two years of would-be immigrants from Asia and Africa seeking political asylum has added new elements to the city's in some cities and to stabbings

Finance

mean pean companies or financial institu-igher tions — chiefly Austrians, U.S. than civilians and Frenchmen — are lis already well established. The rapid emergence as the financial numbers at first sight do not and commercial capital of West appear very large, but Frank-Garmany has not been without furt is a relatively small city with a total population of only The rush to re-build from the some 631,000.

The biggest social problems grants from poorer countries.
The authorities — not only in
Frankfurt but throughout the
Federal Republic—are learning that many of the people who first arrived as "temporary" Gastarbeiter now appear to be turning into permanent resi-

Foreign ghettoes

The problems in Frankfurt are particularly acute in the schools and in the poorer areas of the city, where foreign ghettoes are being created. These make the aim of integration increasingly difficult to achieve. The city has more than 30,000 foreign children under the age of 16, representing about 23 per cent of the foreign population. The same age-group among the city's German inhabitants accounts for only about 13 per cent.

The result is that some schools in the city have classes of more than 30, in which only a couple of the pupils are Germans. Teachers are confronted with classes where the children have nine or ten different languages, and the city estimates that soon more than 40 per cent of the children starting infants school will be non-German.

In some areas of the city, the figure is nearer 80-90 per cent, however. Virtual ghettoes have already formed in two areas of the city in particular - around the main stations and between the station and the west port. The proportion of foreigners living in these areas has already passed the 70 per cent mark.

Inevitably this concentration places a strain on the city's social services, but Frankfurt has so far been spared the most serious disturbances between different racial groups. The fear clearly exists, however, that political turmoil in other countries could spill over into the Federal Republic, and Frankfurt would be a clear target.

Federal Government relterated earlier this month its concern at the growing number of Turks who are being organised in West Germany into extremist Turkish organisations Republic - some 12 per cent of tion - are said to be members extremist Turkish Nationalist feuding between these groups has already led to open battles in Frankfurt.

the mounting wave of people from Third World countries— chiefly Afghanistan, India, Pakistan, Eritrea and Somaliaturned up on its door-step seek-ing political asylum. For years ere has been a steady, unspectacular flow of people to West Germany, chiefly from Eastern Bloc countries, seeking to take advantage of the Federal Republic's liberal political asylum laws. It is the only State that guarantees to offer political

asylum as part of its basic law. People arriving in West Germany, claiming to be political refugees cannot be turned away until their cases have been examined by the courts. Before the age of cheap air-travel. political refugees represented no great problem. But since the end of 1978, would-be immiever-increasing numbers, overwhelming the courts set up to
hear the cases. The major
arrival-point in the Federal
Republic has been France.

In 1977 the city had to deal with 1,600 applicants for political asylum: in 1978, 2,100; last year, 4,000; and by mid-1980, they were streaming in in DM 5,000 per kg is being re-sold such numbers that the total at around DM 60,000 per kg. was expected to reach 8,000 to 9,000. In June alone there were 1.172, and as many as 90 passengers stepped off one plane to claim political asylum. Travel organisations had set up between Germany and the main client countries to run this trade in "economic refugees."

In July, however, Frankfurt decided to call a halt. The city, said Dr. Wallmann, had reached the end of its ability to finance, accommodate or even simply process this surge of would-be refugees. In bitter recrimina-tions against the state of Hesse and the Federal Governmentthe timing was interesting, with a CDU Lord Mayor attacking SPD/FDP coalition Govern-ments in Wiesbaden and Bonn only a couple of months before October's General Election-Dr. Wallmann accused them of leaving Frankfurt to deal almost alone with a national problem.

Visa controls

Frankfurt's action has quickly produced results. The Federal Government has made serious attempts to speed up the legal process (it had been taking three to four years, during which time the applicants were free to stay in the country) and it has introduced visa controls for countries such as Turkey and the Indian subcontinent. The provincial government of Hesse is now trying to spread the new arrivals at Frankfurt Airport around other towns in the state, and is to open a large leader Alparsian Turkes. The Frankfurt is still left with around 9,000 political or economic refugees, of whom about 3,000 are being put up at problems. the city's expense in more than

The city finally lost patience 160 hotels and boarding houses, nal acts were committed in the nationalities in Frankfurt. In turned up in the city's prostitumarkets, to help them unravel earlier this year, however, with many in insanitary and over-city, of which about 70 per cent recent months there has been a finn world. the most complex fraud cases. crowded conditions. The flow of new asylum applicants has, however, been cut drastically.

Another result of Frankfurt's position as West Germany's major international air-link and home for such rapidly rising foreign population has been the increase in certain types of in-ternational crime, particularly drug trading. Dr. Karl-Heinz Gemmer, the

recently appointed Frankfurt police president, admits that the city has taken over from Amsterdam as the leading West European centre for heroin trading. Of the 190 kilograms of heroin seized by West German police in the first eight months of this year, about 60 kgs was found in Frankfurt. The trade has flourished, par-ticularly with the growth of the

be given prison sentences of up to 10 years. But the rewards are also high, Heroin that comes

Hash Meadows

Frankfurt is thought to have between 4,000 and 5,000 heroin addicts, but the city functions more as a major supply-point for trade with other cities. For years the market was relatively open, with dealers operating around one of the city centre parks, known as the Haschwiese, the Hash Meadows. The area was cleared after increasing police vigilance earlier this year. But the result is that the trade has simply gone more underground or has moved to areas near the banks of the River Main, or to shopping passages in the city centre.

The presence of so many U.S. troops around Frankfurt also means that the market for drugs in the area is larger than might otherwise be the case. The U.S. Drug Enforcement Agency has officers based in Frankfurt, as part of its worldwide fight to cut illegal drug trafficking. According to Dr. Gemmer, the drugs-trade in Frankfurt inevitably attracts other forms of criminality. The trade also has links with

prostitution. Frankfurt leads the West German crime statistics in terms of the number of criminal acts committed per head of population. It is far from being German Chicago, as more lurid accounts have tried to paint it. It is perfectly safe to walk through much of the city at night and Dr. Gemmer is pleased with the co-operation the police receive from most quarters of the public. However, compared with other German cities Frankfurt has distinct

Last year about 90,000 crimi-

number of robberies are also connected with the city's drugs trade and the attempts of addicts or dealers to get the necessary finance. The existence of so many visitors in the cityparticularly on the occasions of the bigger trade fairs - also attract certain specialist crimi-

far away as South America. Prostitution in West Germany a perfectly legal trade protected by law-also tends to be drawn into criminality through links with drugs and because of links with drugs and because of on the pretext of applying for train officers with a background the wide mixture of cultures and political asylum have also in accountancy or the financial

A significant battle in the city's main prosti-beries are also tution quarters between wellestablished operators and new-comers, particularly from the African continent.

As Dr. Gemmer remarks, the traditional white prostitutes' market has been increasingly undercut by black newcomers. willing to work for less money.
"They are working almost at nals, such as pick-pockets, often operating from home bases as dumping prices," he says. The result has been a couple of street fights, the destruction of some bars and an increasingly bitter conflict. Some individuals who first arrived in Frankfurt

The roots of Frankfurt's

crime-problems often lie in its economic success. "The city has a big labour market," says Dr. Gemmer, "with many foreigners working here legally. Inevitably there are therefore also some here illegally. The city is like a fly-paper and some stick with whom we are not so

happy." The other consequence Frankfurt's being a centre of finance is that financial crimes are also a major consideration for the local police. They are increasingly having to hire and train officers with a background

Germany has suffered for a number of years from swindles in which members of the general public have been persuaded to "invest" money in various sorts of funds, which have later turned out to be

The most popular line in the last couple of years has been fraudulent commodity futures trading. The problem for the Frankfurt police is that such cases often take so long to unravel, that by the time they are ready to move, the criminals have long left the country.

K.D.

Focus on Hessische Landesbank - Girozentrale -

"Half of Germany's top 10 banks are Frankfurt-based. We're one of them."

Let's start with Frankfurt. Why is Frankfurt so important?

"Frankfurt ranks among the world's foremost banking and financial centers, 150 German banking institutions operate here, and Frankfurt has 174 international banks, more than any other city in Continental Europe.

The Bundesbank is headquartered here, and the Frankfurt Stock Exchange is Germany's largest, accounting for nearly half of the stock exchange transactions, 64 per cent of dealings in foreign shares and 80 per cent of the business in foreign fixed-interest securities.

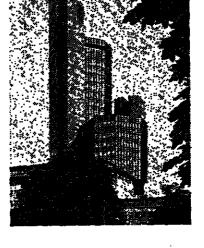
Perhaps less well known internationally is that Hessische Landesbank is one of Frankfurt's big native-born banks. Half of Germany's top 10 banks are Frankfurtbased. We're one of them."

Now about the bank itself. What's its size and structure?

With total assets of DM 49.2 billion. Hessische Landesbank is Germany's 9th largest bank, 3rd among Landesbanks. As a government-backed regional bank, our liabilities are guaranteed iointly by the State of Hesse and its Sparkassen and Giro Association. We also act as banker to the State of Hesse, from which our name is derived, and perform clearing functions for the 52 regional Sparkassen".

What about your service facilities?

"We concentrate on wholesale banking and medium to long-term fixed-rate DM lending. As a German universal bank, our facilities



cover the full range of commercial and investment banking services. Because we don't operate a branch network, we can devote our time and energy to wholesale banking activities.

In recent years we have strengthened our participation in international issues. And we provide comprehensive investment management and brokerage services, including securities trading. Our membership of the Frankfurt Stock Exchange facilitates dealing in quoted shares and fixed-interest securities."

And sources of funds?

"A large part of our funding is done by issuing bearer bonds and SD Certificates (Schuldscheindarlehen). The total in circulation is about DM 21 billion"

Who are the bank's main clients?

"As a wholesale bank, our service facilities are tailored for large, internationally active corporations, foreign governments, and other financial institutions, as well as

subsidiaries of international companies operating in Germany. As bankers to the State of Hesse, we naturally support its state-wide and municipal programs. We also work closely with Hesse's Sparkassen and their clients, especially on the foreign side."

How do you see your position developing internationally?

"Frankly, a number of German banks offer similar high-quality services, and some of them have a head start on us in the international field. Without neglecting our home base in Frankfurt, we have assembled a team of banking professionals devoted to building a strong international track record based on pragmatic banking principles, the most modern technical and support facilities, and the highest standards of client service. Banking in Frankfurt is quite competitive, and the banks who try harder for their clients and give them fast, personal service often have the edge. This is one of our major objectives."

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Until the 16th century, ties issued from foreign sources. The problems facing the Bundesbank afford little conlong way to go to rival the business volume of London, currency and credit trans-Until 1977, fixed-interest bonds actions were mainly based on accounted for a steadily increas- business volume of trade in goods. Later they broke ing share of the total trading New York or Tokyo. solation to the Frankfurt banktrade in goods. Later they broke ing community. A continuation done on the Frankfurt Ex-This year Frankfurt has of the Central Bank's tight **Helaba** Frankfurt monetary policy means that

like Germany, competition between institutions is fierce. Trading profitability of the banks has declined further in the first half of this year. However, these difficulties have done little to dim the attraction of Frankfurt as the premier banking location of the Federal Republic—although it might be giving the city authorities some-thing to ponder as they consider their budget for next year. Part of their local tax revenueis derived from a levy on the profits of all the undertakings

there is little chance in the

In an over-banked country

their profits will be relaxed.

operating within the city limits, including the banks. The number of banks with a presence in Frankfurt grows every year and by the end of August it had reached no less than 338. Of these, 152 are West German, including 91 who have their head offices in Frankfurt, 22 with regional headquarters, and another 39 with branches and business offices. Of the 50 largest West German private commercial banks, headed by the Deutsche Bank—the fifth largest bank in the world-18 are Frankfurt banks. Seven of the top 10 West German private commercial banks have their

As a finance centre Frankfurt far outstrips the importance of

head offices in Frankfurt.

33,000 people of a total Frankthe total West German volume fixed interest rate securities
furt workforce of some 520,000.
The spirit of modern year. It took 41 per cent of in Paris and 1,704 in Zurich.
Frankfurt as a financial centre domestic bond sales.

Last year was not a happy is a post-War creation, but its

CONTINUED FROM PREVIOUS PAGE

as pressure on the D-Mark

from their reliance on the trade fairs and achieved an independent status, and the Frankfurt stock exchange was founded around 1585. Early dealing handled mainly drafts, but at the end of the 18th century short-term that the squeeze on regular trade in loans and debentures had started. By the early 19th century, Rothschild and the Bethmann brothers held leading positions on the loan

Rothschild

Meyer Amschel Rothschild and his five sons are perhaps one of Frankfurt's most distinctive contributions to world banking history. By the early 1800s the Rothschilds had introduced the modern system of dealing in securities, financed several Royal Governments, and placed in Europe's main financial centres obligations worth more than \$1bn, at a time when the U.S. budget amounted to only \$18m.

in West Germany, despite the federal system, which has ensured the development of seven other regional stock exchanges, including Düsselmarked by the international marked by the international flavour of its business, although it does not have the same pre-eminence within its national financial system of London, Tokyo, or New York.

None the less Frankfurt

banking centres such as accounted for 46 per cent of the ing in 406 quoted company Düsseldorf; Hamburg or total volume of dealings on Ger-Munich. More than DM 500bn is man exchanges last year. It dam, 2,786 in London, 2,192 in carried on the books of the ten has to fight hardest against New York and 1,418 in Tokyo. largest institutions alone. The other German regional markets lts role is far greater, however, banks are responsible for for the turnover of domestic in the trading of bonds. Last directly employing around shares, of which its portion of year it could boast 4,717 quoted 33 000 neonly at a stall least

in the first months of the year. Frankfurt had the right to issue the total business. The Bank with DM 40.3bn in 1978. This coins and the first exchange claimed 80 per cent of the was still an impressive perform-office was opened in 1402. volume of fixed-interest securi- ance judged against other change, but during the last couple of years this process has been halted. Last year shares took 39.3 per cent of total business, compared with 33.9 per cent in 1977.

For a country with such a powerful economy as West Germany's, the role of share capital is still rather underdeveloped. For companies, equity capital is still a relatively expensive way of raising finance, while shares also have a very low priority for the

average German investor.

A study by the Frankfurt stock exchange has shown that less than 10 per cent of more than DM 500bn raised by German companies in the past ten. years came from equity capital raised through rights issues. The proportion of equity to debt in German companies' financing has actually fallen in

recent years.
Another reflection of the relatively diminutive stature of Today Frankfurt's stock the Federal Republic's stock exchange has a leading position markets, compared with the operations of countries such as the U.S. or the UK, is the number of companies quoted. At the end of 1979 only 458 of exchanges, including Düssel- West Germany's 2,000-plus dorf, Berlin, Hamburg, Stutt- Aktiengesellschaften, or joint gart and Munich. Its emergence stock corporations, were quoted. as the senior exchange has been In the UK in 1978, 2,795 companies were quoted on the country's exchanges; in France the total was 1,101; Japan, 1,709, while in the U.S. New York alone could boast 1,581 company quotations.

Last year Frankfurt was trad-

In the sale of foreign shares, one for the stock exchanges and traditions of handling money however, it is clearly pre- Frankfurt's total turnover go back rather further. In 1180, eminent, taking 67 per cent of dropped to DM 31.75m, compared

German centres, but it has a

offered investors something of a roller-coaster ride, with peaks in February, June and August. But each time much of the momentum was lost. The volume of trading has picked up significantly over last year however, with the turnover of shares rising in the first eight months of the year by 12.6 pe cent to DM 9.8bn, while bond trading volume rose by no less than 35 per cent to DM 17.7bn.

The exchange's all-share index reached a new high of 102.39 for the year in mid-August, But by the end of the month, it had fallen back to 99.75. August was still a good trading month for shares, and even with the decline at the end of the month the index showed a 3.9 per cent rise over the level reached at the end of 1979. It was well above the low for the year, set in March, of 91.40.

Foreign bonds

Because of its position in the international financial community, the Frankfurt exchange is best placed to pick up foreign companies seeking a quotation in West Germany. The total number of German companies listed in Frankfurt has actually been falling, to reach 227 by last year compared with 272 in 1968. Growing interest in the German market from abroad, however, has increased the number of foreign companies quoted in Frankfurt from 42 in 1968 to 179 by last year. In the same period the number of foreign bonds quoted in Frankfurt jumped from 92 to 472.

Equity capital quoted in Frankfurt at the end of 1979 had a nominal value of DM 95.1bn (DM 36bn from German companies and DM 59.1bn from foreign concerns), while the market value of domestic shares traded on the city's exchange was some

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Key airport has reached limits of capacity

West Germany's most pros- and Kuala Lumpur.

the hub of West Germany's air Germany-some serving much communications and has also emerged as one of the world's major airports. In Europe it handles more air-freight than Federal Republic's total air pasany other single airport, senger traffic, 72 per cent of its including London Heathrow, and it is second only to Heath- of the country's airmail. row as a passenger airport. In the world league it ranks as the fourth largest air-freight terminal after New York (JFK), Chicago and Atlanta and is the 12th largest passenger airport in the world.

Frankfurt airport owes its leading position not so much to the size of its own local populathe Rhine/Main conurbation it does serve around 2m peoplebut to its role as one of the world air travel.

More than 40 per cent of the 18m passengers using Frankfurt airport are passing through to join connecting flights, while as onward shipment to other loca-No other airport in normal activities of catering and Europe has such an important function as a transfer terminal and it is through this role that Frankfurt has built up such a wide range of flight connections to other points of the globe direct scheduled flights to 187 cities in 87 countries.

FRANKFURT'S IMPORTANCE CAAC of China, LAP (Paraas a centre of communications guay) and Air Lanka (Sri European heroin trade—largely in the Federal Republic is Lanka) added Frankfurt to their unrivalled. It lies at the centre schedules and later this year of the country's rail and road South African Airways is startnetwork, is a focal point in ing a direct flight from Cape West Germany's telecommuni- Town to Frankfurt. In addition cations system and, because of Lufthansa, the West German its position straddling the River national airline, which uses Main, has long been established Frankfurt as the centre of its as one of the foremost inland international flight operations, ports. But it is above all to its has opened up several new airport that Frankfurt owes its routes in recent months includdynamic growth into one of ing flights to Leningrad, Peking

Despite the existence of ten The city is unchallenged as other regional airports in West larger cities than Frankfurt-Frankfurt airport last year handled 36 per cent of the total air freight and 58 per cent

Passengers

The result is that the airport has emerged as the third largest employer in the state of Hesse —trailing behind only Hoechst, the chemicals giant, and Opel, one of West Germany's leading volume car manufacturers. With a workforce of 30,800 and 18m passengers passing through its doors each year the airport clearly represents an important community in its own right. Apart from Lufthansa. employees (including personnel) and the flying administration with airport around 6,500, the airport is also the location for about much as 70 per cent of 300 other independent under-the freight handled is for takings. These provide a gamut alongside the of services,

The airport's growth has not. however, gone unchallenged. Inevitably an airport of this size has brought undesirable social consequences for the Last year five more airlines— surrounding community. Frank- 38 of these objections are still Braniff and Delta of the U.S., furt has taken over from outstanding.

duty-free shops, from an inter-

denominational church to a sex

as a result of its communications links and the high proportion of foreigners in the population. It has also borne the brunt of the growing wave of foreigners

seeking political asylum in West Germany. Because of the air-port Frankfurt is one of the Federal Republic's most important border checkpoints. The most obvious social im-

act of the airport, however, is the effect it has on the surrounding environment. For nearly 15 years the airport has fighting a planning and legal battle for permission to expand its facilities and in particular to build a new runway, but environmental opponents have fought it every inch of the

For several years the airport has been up against the limits of its capacity for take-offs and landings at peak periods of the day. Two years ago this led to such a congestion of flight movements and consequent de-lays that the very viability of the airport's future growth was put in question

The airport has an opera tional ceiling of 55 flight move-ments an hour—although in 2000 weather conditions this can sometimes be increased to around 66-and the airport authorities maintain that no movements can be squeezed in with the present system of two parallel runways. Applications to expand through the extension of the present runway system and for the building of a new runway, "18were filed in the midgranted by the state government of Hesse in 1971, but the approval immediately met a wave of local protest, and 104 objections were lodged against the decision. Nine years later

experts again backed the airport administration's case. In July, the Hesse Economics start of work on the new run-

The case is not quite that simple, however. There are still legal hurdles to be overcome and Herr Karry's move can be challenged in the courts. As for the airport administration, it still has to acquire the land on which it wants to build the new runway, 18-West, either negotiation through ultimately compulsory purchase. For the opponents of the runway, defeat in the courts will only be the signal for a move to

other forms of protest. The airport administration has clear support for its case, from the city of Frankfurt, the state of Hesse and from the Federal Government. This is not altogether surprising as the three are also the airport's joint

shareholders, and well aware of

the economic advantages it

Herr Erich Becker, chief executive of the airport, has varned that if the capacity cannot be expanded then airlines will start to move elsewhere, "above all to Paris, Amsterdam or Zurich, but not to other German airports." If the run-way is built, however—construction alone will take more than three years—then flight movements could be increased by as much as 25 per cent, says Herr

Given the legal background, the airport is wary of giving more forecasts of traffic growth over the next decade. But last year it gave a "cautious estimate" that the number of passengers could increase by 6-7.5 per cent a year, freight by 7-10 per cent a year and flight movements by 1.2-2.5 per centre, but its other major transcent a year. Dramatic increases importance to its economic in airlines' fuel costs and the

made forecasting air traffic station is the largest passent Minister, Herr Heinz Herbert is at the limit of its capacity passengers, including com-Karry, gave the go-ahead for the and Frankfurt is clearly not betting on stagnation over the next ten years.

The city stresses above all the economic gain the airport represents for the region. It provides 30,800 jobs-a total that could grow to more than 40,000 by the end of the decade—and around 83,000 people in the region, when families and dependants are included. And it is also vital to the existence of around 42,000 more jobs in the region, which are involved in providing services to the airport, but are not actually based

High wages

It is also well-rewarded employment. The average gross annual wage at the airport last year was around DM 42,700 a year, compared with an average for the whole of the Federal Republic of DM 28,580.

As a result of the expansion work already under way on the existing runways, Frankfurt will next month finally be moved up partially into Category Two as an international airport. Full Category Two status should come in the autumn of 1982. No other comparable international airport in the world of the size of Frankfurt has languished for so long as a Category One airport, with all the attendant limitations on traffic movements, particularly in bad weather. Years of opposition to the expansion of even the exist-

ing runways has badly hindered Inevitably the struggle over the airport dominates present discussion over the future of Frankfurt as a communications

port functions are also of great

Earlier this year independent squeeze on their profits has not existence. The main railway growth any easier. But even station in the Federal Republic with no expansion the airport serving daily around 220,000 muters, offers direct connections cities including Paris, Amster-Warsaw, Belgrade, Vienna and Rome. Each day there are more than 1,300 train arrivals and departures, while the city? gneds depots handle around 3m

tonnes of freight a year. Lying at the centre of the Federal Republic Frankfurt tion in the West German motorway network.

less than ten motorways radiate out of the city, a fact probably not pneonnected with the very high car ownership in the city—the highest in the whole of the country, with more than 400 cars per 1,000

are completed by the inland port, which handles each year more than 7m tonnes of cargo. As a major tributary of the Rhine, the Main gives Frank furt connections by inland waterway systems to France, the Netherlands Belgium, Lixembourg and Switzerland. With the completion later this decade of the Rhine Main-Danube canal, Frankfurt will also gain a shipping link to the ports of south-east Europe and the Black Sea.

Within West Germany's tele ommunications Frankfurt has also benefited from its central geographical position, and is a major transmission point particularly for international 1 More than 400,000 international calls a day are put through. Frankfurt, which now has direct dial facilities to 51 coun-

K.D.

BITED EY

ONAY:

"In Frankfurt I've never had problems in transit, because ansa is punctual.

The middle way of a right-wing Lord Mayor

NO ONE WAS more surprised than the Christian Democrats (CDU) when the Socialist citadel of Frankfurt came tumbling down at the last elections. Dr. Walter Wallmann, who was called from Bonn to self a few weeks later-somewhat to his own astonishment-Lord Mayor (Oberburger-meister) of the city. He is the first to admit that it was a job he had not reckoned with and certainly had not sought.

The fallen Social Democrat (SPD) leaders were openly scornful of his chances of running a city which had been called "ungovernable" in the early 1970s. At that time the SPD administration was rocked by scandals and appeared to student turmoil in the streets. rampant property speculation, chaotic traffic conditions and a city centre that resembled a large construction site.

Wallmann acknowledges that in 1977 the CDU was only elected "negatively, because the others had to be voted out." But in the meantime the city has become a more peaceful place. and in the last three-and-a-half years the SPD has had to admit that it badly under-estimated its

opponent.
Martin Berg, Frankfurt's Mayor, who emerged as the can only be a middle path. That SPD leader after the debacle in conviction comes not from the immediately lose their posts if the party balance in the city assembly changes), admits that the next election in March will not be easy. "We will do our best." he says modestly, but hardly with the conviction that the SPD is about to win back what for long it considered its birthright.

Coalition

power in Frankfurt since the war. They had ruled either alone or in grand coalition with

political scene. Such is his with caution, enthusiasm for his present job. The city's challenger to Helmut Schmidt for the Chancellorship, to play a leading role in the CDU/ CSU's general election team. The offer bore the promise of an important Cabinet post if Strauss triumphed—against the odds—on October 5. "I said no," says Herr Wallmann. "I years ago and I can't just leave

Wallmann has always disarmed his opponents by seeking grounds that he was doing a a tolerant middle way through the city's problems. "There the city's problems.



Dr. Walter Wallman: A firm hand, guided by reason

1977 (senior city officials serve lack of a profile, but because a six-year term and do not no one has a monopoly on immediately lose their posts if wisdom. Compromise is the most human way to avoid wrong decisions," he says. As one national newspaper wrote recently: "He has punished the opposition with magnanimity."

On the wider political scene, Wallmann had always been counted as part of the CDU's more vehement right wing. At State (Land) level he is deputy Until 1977 the Social Demo-crats had not been ousted from chairman, Alfred Dregger, not a man associated with liberal views in the party.

Against expectation, however: the other parties. At the last the city administration was not election, however, the CDU turned upside do /n after the captured 51.3 per cent of the last election. Certain totems of votes compared with oaly 39.6 the left were done away with per cent in 1972. In the land-"Anti-authoritarian" children's slide the Social Democrats not play-groups were disbanded; a only lost their overall majority. well-known leftist theatre, their share of the vote dropped Theater am Turm, which had from 50.3 per cent in 1972 to only 39.9 per cent.

Before he came to Frankfurt, prehensive schools was de-Wallmann had been making a flected though not dogmatically name for himself on the national . In general Wallmann proceeded

however, that he has in recent and culture director, Hilmar weeks turned down an offer Hoffmann (SPD), for instance, who had helped make Frankfurt one of the centres of Germany, was not removed from his post. Before the election a shake-up of the city's cultural scene had been one of the CDU's main promises. Equally took on this job three and a half put the CDU vote in the city

> good job. In the same spirit Wallmann

the smaller Free Democrat group into a coalition, but the Liberals declined in order to await the outcome of the election. The offer still stands, he

approach has been almost to put himself above the party dog-fight. It might not have endeared him to the more extreme members of his own party, but it has made him into an electoral asset the CDU cannot do without.

Martin Berg still thinks that Wallmann's basic political instincts on national issues remainthose of the Right-wing of the CDU, but he admits: "In Frankfurt he has been very clever. He has acted from reason and not from the heart."

Tough job

Wallmann's attempt to soothe the political divisions in the city could not be in sharper contrast to his predecessor Rudi Arndi, a former SPD State Finance Minister in Hesse. He was brought into Frankfurt as a strong-man in the early 1970s after the three previous Lord Mayors had all died in the job in their fifties. Many said this was the result of the stress of one of the toughest jobs in West German local government.

Arndt, now deputy chairman of the Socialist group in the European Parliament, was characterised by his nick-name "Dynamit Rudi." Exasperated by the growing campaign from Frankfur citizens for the re-building of the old Opera House— termed the "most beautiful ruin in Germany" after it was hit by a Second World War-bombing raid—Arndt once offered to take funds from the state to buy dynamite to blow the ruin up.

Wallmann, aged 47, a lawyer by training and son of a north German school-teacher, learned his local politics in Marburg, where he was also briefly Ober burgermeister. But he came to national prominence when elected to the Bundestag, the Federal Parliament, in 1972. He quickly became a member of the committee of the CDU parliamentary group and was elected deputy chairman in 1976.

In Bonn he was brought to public attention as chairman of the Parliamentary "Guilleaume Committee" which investigated the background to the East German "spy in the Chancellers" Gunther Guilleaume, whose dis-covery caused the downfall of then-Chancellor, Willy

Brandt. Wallmann's immediate politiexperimental theatre in West cal future is in the hands of the voters of Frankfurt in March, but there is little doubt that he will seek to return to the national stage at some point. He says himself "If I could choose. in recent months Wallmann has I would stay here for 8-10 years put the CDU vote in the city to follow through a develop-assembly behind the re-election of the SPD sport and recreation director, on the disarming mands are great and in that time I will have used up-my creativity."



MANAGEMENT

Management abstracts

These summeries are condensed from the journals of abstracts published by Anbar Manage-ment Publications. Readers wishing to consult origina texts should write to: PO Box 23. Wembley, HA9 8DJ

Strategic Planning's Failure to Perform. R. Gutoff in Public Belations Journal (U.S.A.), March 1980: p. 32 (3 pages) An attack on the concept and practice of strategic planning, principally on the grounds that most companies do not understand what distinguishes it from long range planning; alteges incompetence by consultants who have built up the market but lack operating experience.

Entrepreneurship as a Mid-Career Alternative. J. D. Weinrauch in Journal of Small Business Management (U.S.A.), January 1980: p. 25 (7 | pages)

Examines statistical evidence of the extent of executive mid-career change, and estimates the proportion who change to a one-person business: suggests adjustments that these people have to make and difficulties that can arise when embarking on an entrepreneurial career offers guidelines for such a

Rigid and Flexible Budgets W. Bryans in Management Accounting (UK), April 1980: p. 30 (3 pages, chart, table) Points to the conflict between rigid budget (which provides an unambiguous target but might prove unrealistic) and a flexible budget (which may be nearer to reality but implies abandonment of the target); discusses how, in budget-setting and variance reporting, a comproapproaches can be struck. Budgeting Techniques. M. Har-

vey in Accountancy Age (UK), April 4, 1980; p. 13 ./1 page, table) Summarises the objectives of

flerible, probable income, and zera-base budgeting, and con-siders three sub-sets of ZBB (change justification budgeting, budget performance auditing, and review period budgeting). Current Cost Accounts-What

do they mean? D. Ross in Accountancy (UK), June 1980: p. 53 (4 pages, tables) Now that CCA has finally arrived (VN 5), explains the significance of the results and the interpretation that ought to be placed on current cost profit and loss accounts, balance heets and funds statements: examines the meaning of the current cost profit attributable

THE MAXIM that "a new broom sweeps clean" aptly abtiv describes the aftermath of last year's controversial takeover by Dalgety, the international trading group, of Spillers, the flour, foods and bakery concern. Not only has the entire main board of Spillers departed, but the company's operations have undergone a rash of plant closures, redundancies, decenand management

re-structuring. Last Wednesday's financial results from Dalgety for 1979-1980 (including Spillers for eight months) provide for £20m of gress spending on the integration and rationalisation of Spillers, and it is likely that there will be a substantial writedown in the value of some Spillers' fixed assets.

That Dalgety has been so active is not unexpected. Its directors put themselves on the line when they bid 13 months ago, claiming that Dalgety had the management expertise to do things for Spillers that its own previous Board had been unable to do.

When Dalgety made its £76m bid it was evident that it was taking something of a gamble because of Spillers poor past record and because the outlook for some of Spillers businesses was uncertain. Indeed. Dolgety's board, headed by David Donne, admitted the risk, and consequently rejected all pressure to raise the offer price, which though representing a premium of nearly a quarter on the Spillers market price at that time, was substantially below the book value of its assets. One Dalgety non-executive director, Alfred Singer, reckoned that the gamble was too great and promptly resigned.

The Dalgety Board reasoned that, though a risk, much of the Spillers business-particularly feeds—was in areas animal where it had experience. although its knowledge of Spillers' very substantial foods activities was undoubtedly limited. Dalgety also recknned that it had established a good track record in turning round companies during its rapid surge in recent years of growth by acquisition.

Both David Donne and Terry Pryce, chairman and chief executive of Dalgety UK, believe that considerable progress has been made, and that Spillers is 'at least as sound as anticipated in the pre-acquisition analysis."

Donne and Pryce evidently consider that throughout the protracted and frequently bitter takeover battle Dalgety was given insufficient credit for the amount of homework it had

sation gives the best compro-

showing the correct overall velocities and a lively presen-tation giving the earliest warn-

ing of other ships' manoeuvres.

in true motion as opposed to

relative motion format. This

means that the velocity data

does not need to be re-estab-lished following the change in

relative motion that results

each time own ship alters

course or speed. Instead, track-

ing is updated throughout own

ship's manoeuvres even if own

ship is under helm indefinitely.

Once again, there is minimal

delay in the presentation of

In addition, there are three

data extraction systems able to

work at the same time, so that three targets on the same bear-

ing line can be dealt with if

For the operator, acquiring

targets is a simple matter. He uses an omnidirection joystick

which moves a small circular

cursor across the screen to

spent about £2m on the develop-

ment of its ARPA set, which

has been on trial in prototype

form on the British Rail ferry

Horsa for some time A similar

system has been in action at

HM Coastguard. Dover, for three years. The development

has been financially assisted by

the Ship and Marine Technology

Deliveries are expected in the

Department of Industry.

data.

screen).

All the target data is stored

Sifting the takeover crumbs

Since acquiring Spillers, Dalgety has been undertaking a major shake-out. Nicholas Leslie reports

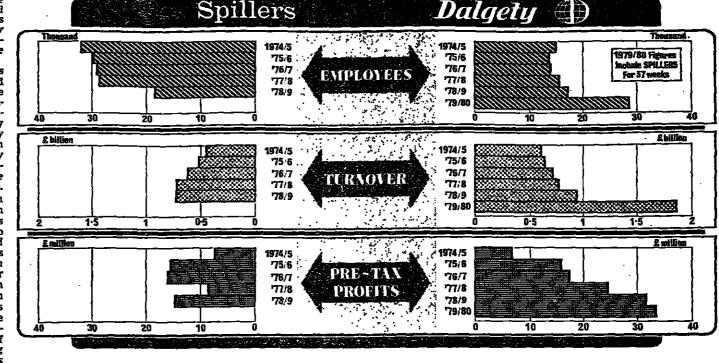
they say, 13 months before the bid was eventually made and just two months after Spillers divested itself of its heavily -making baking activities at which point it attractive to Dalgety.

Pryce maintains that Dalgety's lengthy investigations showed Spillers' food business to be generally successful and com-petitive. This gave them confidence in their belief that they would not have to attempt any major surgery in an area with which they were relatively unfamiliar. They could concen-trate their inherent expertise on Spillers' weaker businesses.

The reality, he says, has been even more favourable than expected. Profitability of foods — impossible accurately to identify in Spillers' report and accounts because the results were lumped together with some less profitable flour milling activities—has been healthy. Indeed, Dalgety's faith in this side of Spillers' business has been exemplified by the appointment of Geoffrey Johnpreviously managing director of Spillers Foods, as managing director of Dalgety Spillers Foods, taking in the two groups' interests.

But if foods have been a pleasant surprise, Spillers' agricultural business has been less successful than was hoped. It is tempting to suggest that, whereas it was understandable that Dalgety's assessment of Spillers Foods should be at variance with the actual situation. given its inexperience in this area, it should have been closer to the mark with agriculture. Pryce accepts this proposition, but argues that, even with investigation, it is very difficult to get an accurate picture of a company from the outside, however familiar the busi-

Overmanning was found to be greater than anticipated, there was between 15 and 20 per cent more manpower at Spillers' animal feed mills than at comparable Dalgety mills. Spillers was also handling a greater level gin. A shakeout in animal feeds. hand.



cies at all levels, and the closure of five Spillers mills.

milling Flour prospects proved, on inspection, to be much as expected; which is to say uncertain because the level of supplies going to ABM and Ranks Hovis MacDougall have been systematically reduced and will have been completely phased out by 1984. However, Dalgety now reckons the business can be developed in areas other than baking and is therefore planning a major investment programme to modernise and rationalise the flou mills.

Much of what else has taken place in the UK stems from the of marginal business than diametrically opposed manage-Dalgety considered was war-ment styles of the old Spillers ment styles of the old Spillers ranted. This involved generally board and Dalgety's directors. small amounts of feed where Put simply Spillers was very profit margins were extremely centralised, with a great deal of narrow and which were thus activity under the direct control reducing the overall profit mar- of the main Board. On the other is highly Dalgety done. Investigations into milling and merchanting has decentralised, with the five Spillers began in July, 1978, resulted in over 500 redundan- divisions and the companies

within them operating with considerable autonomy, though within the constraints as defined centrally by strategic plans, budgets and formal levels of authority.

Compared head office staff of 24, Spillers' strength was 175. It also had other central services, including a research establishment with 213 people, a computer centre with 267 people and 49 in transport services. Because of what Dalgety felt

were irreconcilable differences in approach to management, the Dalgety style has now been imposed, with the new Dalgety Spillers company having a head office staff of just 60. Research activities have been cut back to those "most relevant" to the group's businesses and the central computer services will be closed next March. Central staff have been cut overall by more than 650. Savings of over £3m are said to have resulted, although it is unclear whether this is net of any costs that may have been pushed down the line from the centre.

In addition to these cutbacks. some small activities have been sold, such as broilers, pet and garden supplies and the Carlow abattoir. Others will go later.

management to turn round problem businesses is being heavily tested, must be the U.S. Not only had losses emerged there with a vengeance at Spillers' Modern Maid subsidiary (making flour-based food ingredients) shortly before Dalgety made its bid, but frozen foods-processing subsidiaries. The immediate cause was that retailers cut back stocks to reduce their costs in

vegetable crop. The outcome was a loss. Pryce blames the frozen foods problems not only on market conditions, but also on the failure of the local management to react quickly Additionally. he says, the downturn occurred while several private companies bought Dalgety, integrated with frozen were being rationalised. Com-

the face of rising interest rates.

together with a strong fresh

mon accounting and other management systems had not then been fully installed, which should have enabled management to help mitigate the effects of the deteriorating market. We decided that the first

One area in which Dalgety's loss should be the only loss and belief in the ability of its sold stock at minimal margins." says Pryce. At the same time, the top management of the frozen foods processing business was changed. Now, Pryce reckons that the market itself is gradually coming into shape.

The effort required to resolve the problems with frozen food did not affect Dalgety's ability Dalgety itself ran into major to sort out Modern Maid, Pryce problems last year with its maintains. Peter Gardiner, head of Dalgety Inc. in the U.S., moved into Modern Maid with two senior colleagues in March and a radical reorganisation took place. The chief executive appointed by Spillers after it bought Modern Maid was re-placed by the existing finance director. At the same time, the remaining influence of the family which formerly owned

Modern Maid was removed. The downturn at Modern Maid, according to Pryce, was largely due to the fact that the plants were not working properly. This was particularly true of a large Dalgety Spillers Foods which new plant that had only recently will provide any real yardstick been brought on stream. A major of performance, since the vast emerged

costs. To reverse the upward trend, Gardiner enlisted the help of Dalgety's Martin-Brower which provides subsidiary, which provides specialised distribution services to the food industry and which is going very well and produces better and better profits," says Pryce.

Despite the improved position,

there is some doubt over Modern Maid's long-term future within the group. "The question we must ask ourselves is whether Modern Maid will provide a leg for the future," says David Donne. He acknowledges that Dalgety and Spillers, overall, have not yet been very successful in the U.S., and for the next big push there "we must have the right launching pad."



group little structural change is likely to take place. The malt and chemical divisions have not been affected by the Spillers acquisition, nor has Canada, where the Balfour Guthrie timber subsidiary has been "an unbounded success ever since we have been there," maintains Donne. The Australian interests

have been similarly unaffected.
One major result of the steps taken at Spillers this year has been to push responsibility for generating profits further down the line. There are now more profit ceptres and thus more points at which performance can be closely monitored. Pryce acknowledges, though, that some of the steps taken were being thought about by Spillers anyway and that, coming in fresh to the situation, Dalgety was in a strong position to be able to put them into

effect quickly. It could be argued that what has taken place at Spillers school theory—cut overmanning. reduce waste, put in better control systems, instal new people and make more people accountable. That, then, should clear the decks for action. What has to be proved next is that the combined group is actually moving in the right direction and has the right products and the markets for expansion. Proof of that will be longer coming.

the day, it will probably be only effort was put into getting things majority of this division is right and the problem "is now Spillers business. For the most over," he says. An additional part the other Spillers activities weakness emerged when will soon be integrated with Dal-Gardiner started to look at gety and thus indistinguishable distribution from the rest.

PWS Withstands the heat

NAVIGATION Radar lead by UK company

NOWADAYS, much of the art Ratal-Decca believes that this of marine radar lies in the way technique of updating targets in which the returned signals more frequently if they are are processed to give the best altering their behaviour notice-possible picture and naviga- ably, coupled with gain optimitional facilities on the screen.

The name of the game at the moment is ARPA, which stands for automatic radar plotting aid, the name given by the Inter-governmental Maritime Consultative Organisation, IMCO, to the new generation of computerised radar displays which are to become mandatory for all larger vessels during the 1980s.

This week Racal Decca Marine Radar has launched an ARPA unit driven by five microprocessors in an internal distributed data-processing network which, it is claimed, gives a superior result to anything offered so far.

The new company, formed after the recent amalgamation of Decca and Racal, already has some 2.000 anti-collision radars at sea; it is aiming the new set at a possible 3.000 vessels whose owners will be looking for some thin" "rather more useful" than equipments that do no more than just meet the IMCO

Basic point about ARPA is that a computer and memory are used to acquire data about radar targets (ships) which can then be used for general naviga-tional purposes on a "what would happen if" basis. The manipulation extends to displaying the effect of a change of course at some time in the future and normally includes such tasks as plotting possible collision courses. The position of a number of ships at a controls are similar to those of the company's Clearscan marine radars, with digital selected time in the future can be easily called up and the display can be in true or relative

motion form. Where Racal-Decca claims to have scored is in the way in which the data are acquired and For example, the equipment does not acquire all the targets on the same basis but, due to the five task-oriented microprocessors can look at each separately to take account of gain needed and tracking time constant so that all ships' paths are shown in rapidly updated form, with great clarity.

What is more, the computers carry on these tasks regardless of the way in which the operator screen. Optimisation is carried autumn of next year and the out on each target individually price is about £30,000. regardless of size and range.

ed as a neat material for space craft a carbon fibre based substitute for asbestos called K-Karb is being offered for use in industrial

• MATERIALS

It is being supplied by Paladon (Engineering) Chequers House, The Green, Flore, Northampton NN7 4LG (0327 which can withstand temperatures up to 2,000 degrees C in mise between a stable picture

manufacturing processes, particularly in the handling of molten glass straight from the furnace. It is available in sheets and rods of varying thicknesses and can be cut, machined and drilled using standard carbide

ACOUSTICS Haven from noise

PROMISING TO solve shop floor noise problems is a new quiet room from Sound Attenuators, Colchester, Essex (0206 69111) which comes complete with doors, windows, lighting and ventilation.

Called the SAL refuge its special characteristic is its frameless construction—something rarely found in heavy duty enclosures, claims the company. The acoustic panels which form the refuge fit together with

embrace the target which is then acquired for processing by depression of a button. The hest possible tracking and manipulation of that target in relation to others that have been acquired can be considered. a special compression lock, and the roof—also of modular design —is completely supported by the been acquired can be carried out. Acquired targets are marked with a window on the • TELEVISION screen and up to 20 can be accommodated. In general the Recorder in

the camera presentation of numerical data throughous (range and bearing on the bezel of the 16-ins A BRIEF report from Reuter in Tokyo indicates that Hitachi The company says that it has

has developed an integrated colour television camera and video cassette recorder which it has tentatively named "mag camera.' Apparently a high density recording technique is used on

a 0.25 inch tape which plays for two hours. No other technical details are available except that the unit weights 2.6 kg and can be played back on an ordinary television set.

Requirements Board of the Hitachi plans to go into production of the unit "within a few years" and hopes to market able to work at up to 300 frames it at a price of about Y300,000 2 second, and a developer-pro-GEOFFREY CHARLISH (£600).

COMMUNICATIONS

Electronic call-for-help system

SNIEIG over 75. These statistics, coupled Research Centre. processes where strength and call systems of the kind now resistance to heat are paramount being operated by the Borough of Harrow and developed by the Medical Research Council will become quite widely used.

At all times in home or 40783). This company describes garden, the elderly person wears the material as a fibre rein a 68 x 48 x 19 mm miniature forced structural graphite transmitter weighing only 75 gms (almost 100 per cent carbon) with a neck cord. In the event a 68 x 48 x 19 mm miniature of trouble the user lifts a safety flap on the unit and presses the an inert atmosphere.

The material is stated to have been used successfully in glass been used successfully in glass receiver which is in turn constop." The central unit then nected to an auto-dialler. The plays an appropriate recorded code is unique to the user so user's wall unit.

In this system the resulting phone call is not made direct to his readiness to provide help.

capacitoted user reassurance call is repeated four times or to change tapes. logged on a printer.

Then the computer checks memory and selects three designated people and calls them in button, whereupon the unit order; the first two would be message to the helper which inthat other persons so equipped cludes a synthesised three-digit in the district could not trip the spoken number identifying the person in trouble. By dialling a number, the helper indicates

SAID TO have been originally neonle over the age of 85 in the driver commutes been driver as a few of 85 in the driver commutes been driver as a f people over the age of 65 in the driven computer-based central on the printer.

UK and about 3m of them are unit devised by MRC's Clinical A particular a A particular advantage of the £300

with a growing unwillingness of During the dialling process Hatana, is that when helpers equipment will become com-the young to look after the old, the bell "tinkle" is unsup-leave the system and others join mercially available in about 18 probably means that electronic pressed so as to give the in- their phone numbers are altered months' time for use throughby software techniques and not out the country. that the call is going out. The by visiting old persons' homes

being made by Turnstall Byers

per home to about £200 system, which is known as It is hoped that the modified Other authorities apart from

Harrow are expected to take an until acknowledged by the The system has had the back-interest because not only does central station. Immediately, ing of the National Research Hatana provide reliable assuring them in authority homes. the domestic units are allows them to stay in their own homes for an extended period the identity number against the and Co. Further work is pro- into retirement, cutting the cost Victoria Street, Lo list of helpers it holds in its gressing at the Clinical Research to the ratepayer of support- 6SL (01-828 3400).



More information can be obtained from Mr. K. Grossfield. NRDC, Kingsgate House, 66, Victoria Street, London SW1E

COMPUTERS More new machines

IBM has announced new models in its 4300 series computer range, a range which set new standards in price/performance for the industry.

The new machines, central processors designated the 4341 group 2, are claimed by IBM to be 80 per cent faster than the 4341 group 1 machines, their immediate ancestors and are available with up to 8m characters of main storage, twice the previous capacity. First customer shipments of

the new processors are scheduled for the second quarter of 1981 and upgrades from Group 1 machines to Group 2 machines will be available from the same

With 2m characters of main storage, the U.S. price for the 4341 Group 2 is \$385,000. With 8m characters, the price is

system, the B 5900, is smaller, more technically advanced and less than half the price of any

common but with the rate of development of computer archileast for the moment. Burroughs computer architecture it has developed and in the B5900 it has used a concept it calls func-tion processor architecture, an internal structure of computers

It means a number of processors within the computer assigned to dedicated tasks controlling the peripherals, data manipulation or organising

roughs is offering the B5900 \$479,200.

Burroughs also announced a new mid-range machine this pack and line printer, all for week. It claims the new £370,000.

QUALITY CONTROL

comparable system. Such claims are not un-

tecture, likely to be justified at is recognised for the advanced within computers.

the peripherals.

The basic machine costs £160,000 with 1.5m bytes of main store. In the UK, Bur-

AN INTERESTING spin-off Slowing down motion by 20 from the instant movie process, times allows faults on packing, Polarvision, introduced by the wrapping and capping machin-Polaroid Corporation two years ery for example, to be seen ago is a high speed recording and rectified and there are system for industrial applica- many other potential uses.

More from John Hadland

(Photographic Instrumentation). Newhouse Laboratories, Bovingdon, Hemel Hempsted, Herts HP3 0EL (0442 832525).

Fast movers take the If you're looking for a factory you'll

have to move fast if you want one of ours in South Yorkshire. Earlier this year the County

Council announced a programme to build 36 Advance Factory Units. By August, 18 units were complete and over half had been let or allocated. The remaining 18 units will be completed before the end of 1980 and we are already dealing with applications

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 Rents as low as £1.40 per sq. ft. Space ranging from 1,250 sq. ft. to 7,500 sq. ft.

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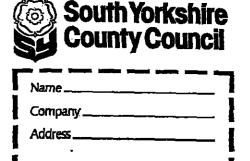
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The County Council is able to offer financial assistance in certain circumstances and is always able to provide help with applications to other bodies offering assistance.

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The price of monetarism

BY PETER RIDDELL

ignored. The Government's either the costs are unavoidable in real demand. or that they are worth paying. We have always argued that in look is interest rates and ster-current conditions the control of ling. Industry would like the inflation must be regarded as a primary aim of policy. We do not believe that it is worth paying any price to achieve it; that four points, while Mr. Healey is why we persistently argued against a reduction in the level after an admission of defeat. of public sector borrowing in this year's Budget."

This quotation comes not from a secret paper of the Cabinet wets" but from an eminently "dry" source, the June Economic Outlook of the London Business School. The point it raises is higher than if North Sea oil at the heart of the current debate about economic policy.

The argument is not easy to resolve. So far the recession has not been significantly different from what was expected. The fall in Gross Domestic Product over 1980 as a whole may not be much larger than the 2} per cent decline forecast in the March Budget.

The pattern of the recession has, however, differed from strategy. Across-the-board conearlier expectations. Manufac- ressions, such as a cut in the turing industry has suffered national insurance surcharge, most with a likely fall in output might, weaken employers' this year of between 6 and 7 per cent compared with the 41 per cent drop forecast in March. In could help, with assistance contrast, activity in the private biased in favour of job creation service and public sectors has so rather than preservation and in far held up. far held up.

Shake-out

vehicles sectors, can be re- year should be offered job garded as a brutal adjustment to training. The cut in the real an inevitable and long-delayed value of unemployment benefit contraction. Companies are also could also be reversed. 'There clearly taking advantage of are long-term arguments for current conditions to introduce seeing that the unemployed are long-term labour saving invest- not better off that those in work sequently, some of the cutbacks may represent a desirable shake- some of these measures the out of surplus labour.

The spag is that the closures of the medium-term strategy and redundancies may go will be eroded. However, anyfurther and involve the end or one supporting the proposals the cutback of essentially should be prepared to pay for "viable" operations. This is them and to passet a rise in "viable" operations. This is them and to accept a rise in Tankard over today's six fur-obviously a highly subjective income or other taxes if that long trip at Nottingham early question and what seem viable is indicated by next year's to you may look like a long- Budgetary outlook.

black and white

8.40-7.55 am Open University

BBC 1

(Ultra High Frequency only). 12.45 pm News. 1.00 Pebble

"IT HAS been argued that term lossmaker to me. But a obsession with a single objective monetary squeeze and a strong (reducing the rate of inflation) pound affect both the inefficient is causing unnecessary harm to and the efficient. The worry, as the economy in terms of loss expressed in the Clare Group the line of duty-tanker drivers of output, jobs and investment. article in the Midland Bank re-That argument cannot simply be view, is that by 1984 there may be shortage of plant (and of policy is based on the view that skilled labour) to meet a growth

> The key to the industrial out-Government to declare a victory in the battle against inflation and then cut MLR by three or has suggested the same result Neither course is likely, though-MLR will probably be cut gradually in small steps during the autumn. But when this happens and if the pound declines, the real exchange rate is still likely to be considerably did not exist, bitting producers but benefiting consumers. Some contraction in manufacturing industry is thus probably un-

> these constraints Within there is, however, a lot the Government can do to minimise some of the current risks and the social consequences of the recession without endangering the thrust of the medium-term might weaken employers' resistance to high pay claims. But a more selective approach biased in favour of job creation

The Government should also Some of the problems of gestion that all men and women manufacturing, particularly in who have been on the unemparts of the textile and motor ployment register for at least a programmes. Con- but the timing is wrong.

young people.

The danger is that without support needed for the success

The attractions of a canal terminus

month by Bowater that it was to close its big newsprint mill with the loss of 1,600 jobs, Ellesmere for flour mills, iron ore and Port had rarely made any other commodities. impact on the national consciousness. Neither was it a place many

people tended to visit, except in needing to find their way to the huge Stanlow refinery complexes of Shell and Burmah, or delivery drivers journeying to and from Vauxhall Motors. Indeed cut in half nowadays by motorway, it is no longer even passed through on journeys up and down th Wirral Peninsula between the Dee and the Mersey.

Yet within the next few years this predominantly industrial town in Cheshire will be housing what promises to be one of England's biggest tourist attractions, capable on relatively modest estimates of drawing more than 200,000 visitors a year.

Ellesmere Port owes emergence as a potential if surprising tourist centre to its history as a major canal terminus—the connecting point with the Mersey for the Shrop- interest in recent years in shire Union system. Here industrial archaeology and the sea-going vessels entered a lower basin where their goods were transferred into warehouses for onward shipment by narrow boats from a basin

UNTIL the announcement last was handling large tonnages of canal boats which were then A small museum intended to china clay and bone ash for the being lost, and they were look- give a taste of future develop-Staffordshire potteries, grain

> An impressive series of watehouses was erected and in 1876 a pump house was added to accommedate two steam which provided hydraulic power for the cargo handling equipment.

The old canal port was in use until 1958, shipping tar from Stanlow, but, the loss of this



ELLESMERE PORT

trade was followed by the usual dilapidation. The port and its historic machinery and warehouses, including one important Telford building, have been saved, due to the renewed enthusiasm of the new local authority, which was created to cover Ellesmere Port in 1974. 'An independent trust, the

North West Museum of Inland above. Navigation was set up about
At its height in the nineteenth century. Ellesmere Port saving some of the many old

Gary Carlisle, a planning officer with Ellesmere Port and Neston Borough Council. The council itself was seeking to improve the site and persuaded the Manchester Ship Canal Company and the British Waterways Board to grant a sub-lease at a peppercorn rent for a museum to be developed.

Since 1974 the emphasis has changed from preventing further deterioration, to restoration and, more recently, to fitting out the site. The Department of the Environment was persuaded to give derelict-land grants towards the early work of clearing old vegetation and rubble. any estimate entirests the various toh creation schemes was chinined for towpath clear-Much of the restoration work

s being carried out by Trest volunteers, but financial and other support towards the estimated £500,000 cost of fitting out the site is coming from a number of public and private sources, including the English Tourist Board, the Historic Buildings Council, Ellesmere Port and Neston Council. Cheshire County Council, and Shell. Other organisations have donated boats, among them ICI which has handed over one of the vessels in its Brunner fleet of harges

The site now contains 30 vessels in various states of repair.

ing for a home," recalls Mr. ments has been opened in the old toll house.

BY RHYS DAVID

When completed within the next 18 months, it is intended that the site will provide much more than just a static display of canal history.

The hope is that it will be possible to accommodate within the museum, workshops where visitors will be able to see canal crafts such as boat-making and repairing, rope making and painting and decorating. The site will also be used to

house a local industrial museum and an urban studies centre where school and other visiting parties can learn about the canal environment in all its aspects-from engineering to plant life.

The facilities being developed, such as the lecture.

theatre and restaurant, will also be available to the community as a whole for meetings and social functions. Most of the visitors to the site

will come by car but the development, appropriately enough, has already led to an increase in the number of canal-boat holidaymakers to the area. Chester, where canal boats pass' under the city's Roman walls, is not far away and the journey does not involve any locks. New moorings have been put in at Ellesmere Port and other facilities are likely to be attracted in response to demand. These

SLLESMERE PORT

For the town, therefore, the canal development is an important new asset and a poten-tial morale booster. It will also create a small number of new jobs, though clearly it will have only a minor impact in an area where even before the Bowater closure, unemployment

Ellesmere Port. From the start modern Britain.

would probably not include it involved the co-operation of hotels as most visitors staying private organisations, local overnight will almost certainly authorities and government head for Chester. siastic in their support of the scheme. . By contrast, Bowater, one of the town's biggest emoperations in the town because, it appears to lack the will or the means to do otherwise.

To the outside observer the respective fates of these two was running at 14 per cent. enterprises, alongside each. There are lessons to be other on the bank of the learned from the exercise of Mersey might well suggest a setting in the hast setting up the boat museum at strange sense of priorities in

WHITEHALL THEATRE 01-930 7765 CC

YOUNG VIC. 928 6363. TOP'L! MON.
Wed. Thur. 7.30. Tonior. 8.00 flast
perfs. Stressed's ROSENCRANTZ &
GUILDENSTERM THE 7.30 AROUND THE
WORLD IN SO DATE (MUSCI).

CINEMAS

ABC 1 4. 2 SHAFTESBURY AVE 836. 8861. Sep. perts. All seats bible. 1: GONE WITH THE WIND (A). 70 mm. WK. 4 Sun. 1.55. 7.40. 2: XAMADU (A). Dolby starge. WK. 4 Sun. 2.00. 5.00. 8.15. Late show Set. 11.15.

5.00, 8.20, RLEQUIN (X), Proes. 2.00, 5.05,

4: THE SECRET POLICEMAN'S BALL (AA) Progs. 2.30, 5.30, 8.25.

CLASSIC 1, 2, 3, Haymarket (Piccadilly Circus Tube) 01, 839 1527 1: HARLEGUIN CO. Progs. 1.10 (got Sen. 3.30, 550, 815 2 JHE BLACK STALLION (A), Progs.

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Murillo may be each-way answer

IN SPITE of the obvious claims and, in contrast, looks reason- Primula Boy tries to follow up Flower in today's renewal of 8 st 7 lb. the Ladbroke-sponsored Ayr Gold Cup, backers are probprospects.

Two who spring to mind in

RACING

BY DOMINIC WIGAN

this category are Hurworth House and Murillo. four-year-old Flower, a four-year-old Habitat gelding suited by plenty of cut in the ground, has not produced his best since holding off the heavily backed Overtrick in the Home Ales Gold in the summer. But he has been facing formidable tasks

SCOTLAND - 12.40-12.45 pm

The Scottish News. 5.55-6.20 Reporting Scotland. 10.15 The Beechgrove Garden. 10.45-10.50

News for Scotland; National

News. NORTHERN IRELAND-3.53-

5,55-6.20 Scene Around Six. 10.15 The Picture in Question. 10.45-

Orson Welles.

of the well drawn favourite ably handicapped here off his 40-1 success of a year ago

Hurworth House's supporters can take further encouragement ably best advised to try to find from the recent exploits of his an outsider with win and place stable mates. Handler Harry Thomson Jones was on the mark through John Cherry and World Affair here and at Brighton on Wednesday.

Murillo, from another stable Game, in fine form, that of Bill Watts, has been running well since the start of the campaign and last time out failed by only half a length to catch Pepina. to whom he was trying to concede 18 lb in York's Quintin Gilbey Silver Trophy. He. too, relishes the prevail-

ing going and will also be ideally suited by this stiff course. It was in testing ground that Murillo ran away with a seven furlong event at Doncaster's Lincoln meeting.
In a wide open race in which

Cards Right.

10.00 News.

10.30 Benson.

11.00 Seven Ages.

11.45 Side Street.

7.30 The Incredible Hulk.

12.40 am Close: Personal Choice

CHANNEL
1.20 pm Channel Lunchtime News,
What's On Where and Westher. 6.00
Channel Report. 6.30 What's On
Where. 6.35 Encore 7.30 A Man
Called Shane. 10.28 Channel Late
News 10.36 South West Bowls
Chempionships. 11.05 TV Movie Pre
miere: "The Money Jungle." 12.45 am
News and Weather in French.

from a contrastingly poor draw, Murillo may be the each way answer. Thomson Jones and his

stable jockey Paul Cook, who many had expected to see installed as stable jockey at Seven Barrows, have another prospect in Running

AYR 2.00-Souliotissa 2.30-Odin's Raven 3.05-Murillo***

3.35-Minibank 4.05—Gerontas 4.35—Running Game**

NEWBURY 2.15-Runnett* 2.45—Saba Nejd 3.15—Remouleur

3.45-Train of Thought 4.15-Mountain Man 4.45-Grand Conde

7.00 Bruce Forsyth's Play Your 6.30 WKRP in Cincinnati. 7.30 Tenspeed and Brown Shoe. 10.28 HTV News. 10.35 Report Extra. 11.05 "Doctor's Private Lives." "HTV-CYMRU/WALES—As HTV West! 8.39 Holding: the Fort. ---:9.00 The Gentle Touch. TITV General Service except: 11.55 am-12.10 pm Cel Cocos. 4.15-4.45 Haf Syr Y Brynizu Cregoog. 6.09 Y Dydd. 6.15-6.30 Report Wales. 10.35-11.05

SCOTTISH

with Lord George-Brown.

All IBA Regions as London except at the following times:

ANGLIA

9.35 am Who's Afraid of Opers 10.05
The Human Face of China. 10.30
World Worth Keeping. 10.85 The Galway Way. 11.55 Cartoon Time. 120 pm Anglia. 10.30 The Life of Riley. 11.15
Soap. 11.45 Friday Late Film: See How They Run." 1.30 am At the End of the Day.

ATV

TYNE TEES

9 20 am The Gnod Word followed

10.60 by North East News. 9.30 Hands. 9.55

Smith. Chopper Squad. 10.60 Friends of
nstuf." Man. 11.60 Animated Classics. 1.20 Then One; South West (Plymonish Brainwave; West (Bristol) Trees for all Seasons.

BBC 2

6.40-7.55 am Open University.

11.00 Play School (As BBC1 3.55 pm).

2.30 pm Racing from Newbury.

2.30 pm Racing from Newbury.

2.30 pm Racing from Newbury.

2.31 Play School (As BBC1 3.55 pm).

2.32 pm Racing from Newbury.

2.33 pm Racing from Newbury.

2.34 BBC1 Stokes. 8.00 Lookaround Friday. 6.30 Morthern Stokes. 8.00 Lookaround Friday. 6.3

Sesame Street. 1.20 pm Granada Reports. 5.15 Mr. and Mrs. 6.00 Granada Reports. 6.30 Krck 0ff. 10.30 Soap. 11.00 The Continental: Alan Betes in "The Story of a Love Story."

HTV

9.30 am Survival. 9.55 Animated Classics 10.35 Bailey's Bird, 11.00 Granada Report West. 1.20 pm HTV News. 5.15 Spiderman. 6.00 Report West. 4 Key."

YORKSHIRE

9.30 am World We Live In. 9.55 The Nature of Things. 10.45 Spiderman. 11.05 Chopper Squad. 11.55 The Bubblies 1.20 pm Calendar News. 5.15 Against the Wind. 6.00 Calendar Sport. 10.30 Soap. 11.00 The Frindey Moor and Belmont additions). 6.30 Celandar Sport. 10.30 Soap. 11.00 The Frindey Night Film: "Cage Without States".

OPERA & BALLET

PHI. CC 01-836 7611. Evgs. at 7.30 4.00 & 7.45. Mets. Thurs. at 3.00. Y BRITTUN. LIZ ROBERTSON PETER BAYLISS IN MY FAIR LADY Neagle returns Sept. 24. Group ings ring 01-836 7358 or 01-378 RY. 5. From 9 am 01-836 3878. Cc 4355. Grp. bkgs. 836 3982 or 379 1. Air cond. Evs. 7.45. Mat. Sat. 4. YER! CHILD HALF-PRICE. RECORD ENIS SAT.

RUN ENIS SAT.

ALBERY, S. From 25 Sept Eves 8.00 Thurs mat 4.30, Sat. 5.00 & 8.15. Sian Philips, Desis Lawson. Half Moon Production. Redgers and Hart's PAL JOYAL COMMENT OF THE PRODUCT O

SOLY, West debut Oct. 21. Book Now CHICHESTER FESTIVAL THEATRE. 0243 781 1312. Season Subsored by Martini & Russy Limited. OLD HEADS & YOUNG HEARTS, TOMOR. 2.00 & 7.00. MUCH ADD ABOUT NOTHING. Last perf. Today 7.00.

ULSTER

THEATRES

PRIVATE LIVES.

DUKE OF YORK'S. S. CC. 836 5122.
Red. price prevs. now. Eves. 8.00.
Sat. 5.30. 8.30. OPENS Sept 23 at 7.0.
Subs. eves. 8.0. Fri. 5 Sat. 5.30. 8.30.
FRÂNCES de la Tour DAVID de
KEYSER in DUET FOR ONE by Tom
Kembinski

Lunchtime. 4.13 Ulster News. 5.15
Heppy Days. 6.00 Good Evening
Ulster. 10.29 Ulstor Weather. 10.30
Winess. 10.35 Sportscast. 11.05
Friday Film: "The Viking Queen."
12.35 am Bedtime.

WFSTWARD
9.30 am Call at Mecargin. 10.00
Show Jumping with Harvey Smith.
10.25 Kum Kum. 10.40 Sesame Street.
11.40 The Beatles. 12.27 pm Gus
Honeybun's Birthdays. 1.20 Westward
News Headlines. 6.00 Westward Diary.

Honeybun's Birthdeys. 1.20 Westward News Headlines. 6.00 Westward Diary. 7.30 A Man Called Stanns. 18.32 Westward Lete News. 10.36 South West Bowls Chempionships. 11.05 TV Movie Premiere: "The Money Jungle." 12.45 am Faith for Life. 12.50 West Country Westher.

ADLER'S WELLS THEATRE, ECT. Bkg. Office 837 1672 - 3656 - 7505, CARACALLA DANCE, Evgs. 7.30, Mat. Sats 2.30

AMBASSACORS 1H. S. 836. 1171. CC. 379. 1565. For't-Tomor. 5 6 8.40. SEASON ENDS TOMORROW, HAROLD PINTERS THE HOTHOUSE. APOLLO. S. CC. 01-437 2663. Gro. sales 379 6051. Eves. 3.00. Wed. 3.00. Sat

Evenings at 8.0, Steven Berkoff's GREEK
CAMBRIDGE 01-836 5065, Credit cards
accepted 01-836 7040, Mon.-Frl. 8.00.
Thurs, 2.00. Sat. 5.00 and 8.36,
LAST 2 DAYS — MUST END SAT.
CHICAGO, ELIZABETH SEAL JACQUIE
TOYE, COLIN BENNETT, MOPE
JACKMAN, BRIAN HEWLETT, LYNETTE
BENTLEY, Anti-initation policy! Seass at
£1.50. £2.50. £4.00 in stalls and Royal
Circle, Group sales 379 6061 & 836
6036, Students, nurses, OAPS Standby
£1.50. 10AN COLLINS HOTTLINE, 240
5879. West debut Oct. 21. Book Now

9.30 am Friends of Man, 10.00 Show Jumping with Harvey Smith. 10.25 Sally and Jake. 10.40 Carboon Time. 11.00 Soame Street. 1.20 pm Lunchtime. 4.13 Ulster News. 5.15

News and Weather in French.

GRAMPIAN

9.25 am First Thinn. 9.30 Focus or Wildlife 10.00 Show Jumping with Harvey Smith. 10.25 I Am Filipan. 10.40 Firaside Theatre. 11.30 The Beatles 1.20 pm North News. 6.00 North Tonight, including Sportscall. 10.30 Reflections. 10.35 Feature Film: "Hang 'Em High," starring Clint Eastwood. 12.35 am North Headlines and Road Report.

GRANADA

9.30 am The Challenging Sea. 9.55 9.30 am The Challenging Sea, 8.55
Terzan. 10.40 Spiderman. 11.00
Seseme Street. 1.20 pm Granada
Reports. 5.15 Mr. and Mrs. 6.00
Granada Reports. 6.30 Kick 0ff. 10.30
Soep. 11.00 The Continental: Alan
Betes in "The Story of a Love Story."

KEYSER IN DUET FOR ONE BY TOM KEMDINSK!

FORTUNE. S. CC. 01-836 2238.

Evenings 7.3D. Sat. 4.00 and 8.00.

Last Week of DR. FAUSTUS with James Aubt.; SEASON MUST END SATURDAY

FORTUNE. 01-836 2238. Prev. from 25 Sept. 8.0. Sats. 6.0 4 9.0. Opens Sept. 2.0 EOWARD DUKE IN JEEVES TAKES CHARGE by P G. WODEHOUSE.

GARRICK. CC. S 836 4601. Evgs. 8.00. Islamp). Fit. and Sat. 5.30 and 8.30. WILLIAM FRANKLYN IN ITA Levin's DEATHTRAP. DEATHTRAP.
GLOBE THEATRE. S. CC. 01-437 1592.
Group sales 379 6061. Eres. 8. Mat.
Wed. J. Sales. 5 and 8.15. Berly Red.
Barry Foster. Peter Bowles. Isn Waters
in a new Jackey Peter Michals. BORN
IN THE GARDENS GREENWICH THEATRE S.CC. 858 7755.
Prey Sopt 24. 8.0 Opens Sept 25 at 7.0.
Sub evgs 8.00 Mal. Sets. 2.50 Time AND
THE CONWAYS by J. B. Priestley. THE CONWAYS by J. B. Priestler.

HAYMARKET, Theatre Royal. CC, 01-930
9832. Eves. 7-45, Wed. 2.30. Set. 6.10
PRUNELLA SCALES RO ROMOCHAEL
FRAYNE'S MAKE AND BREAK
Directed by MICHAEL BLAKEMORE.

JEANNETTA COCHRANE. 01-242 7040.
National Youth Theatre in THE WINTERS
TALE Less 2 performances ton't. & tomor. 7-00.

OLD VIC. 928 7616. CC. 261 1821. S.
Tonight & Tomorrow 7.30. PETER
O'TOOLE in MACEETH. Directed by
Byran Forbes. Tomor. 2.00 BRYAN
MASSHALL TIMOTHY WEST. &
MAUREEN O'BRIEN in LANCELOT &
GUINEVERS. The great love story from
the Court of King Arthur, Tue, & Thur.
7.30. Wed, 7.00. Thoothy West and
Maureen O'Brien in THE MERCHANT
OF VENICE.
TOAD Now bkg. 15 Dec. to 17 Jan.

PALACE S. CC. 01.437 6824. RODGERS & HAMMERSTEIN'S OKLAHOMAI Evgs. 7.30. Mats. Wed. & Set. 3.0. Group sales box office 01-379 6061.

PALLADRIM. CC. 01.437 7375. YUL BRYNNER In RODGERS HAMMERSTEIN'S THE KING AND Starring Virginia McKenna. HOTLING 01.437 2055. Evgs. 7.30. Mat. Wed. 2nd Sat. 2.15. Last 2 weeks. Final perf. Sept. 27.

PICCADILLY. S. Air cond. 437 4506. CC. bookings 379 8566. Group bless. 836 3962. Mon. to Thurs. 8. Fri. & Sat. 5-8. 4.0. State from \$2.90. ROYAL SHAKESPEARE COMPANY In Willy Russell's new conedy EDUCATING RITA. RSC also at Aldwych Warehouse.

Credit card bookings 930 0846, An evening with TOMMY STEELE and his company Evgs. Mon. Thurs. 8,30. Fri. and Sat. 6,00 and 8,30. Book how.

QUEEN'S. CC. 01-734 1156. Evenings 8.00. Sat. 4.30 and 8.00. Tom Courtenay, Freddie Jones THE DRESSER. The new play by Rohald Harwood. Directed by Michael Elliott. ROYAL COURT THEATRE UPSTAIRS 730 2554. SUBMARINES by Tom McClenagham. Evgs. 7.30.

McClenaghan. Evgs. 7.30.

SAVOY THEATRE. 01-836 8888. Adv. 80x Office now open. John Alderton. Pauline Collins in Charles Dyer's comedy. RATTLE OF A SIMPLE MAN. Evg. Mon.-Thurs. at 8.00. Fri. and Sat. 5.45 and 8.45. Reduced Group Bookings 839 3092. SMAFTESBURY THEATRE. CC 01-836
4255. Tickets &I to £8. Reduced price prevs. Tomes. B.30. Mon.-Fri. 8.0. Opens Oct. 1. TOM CONT. 6 GEMMA CRAYEN In the musical THEY'ER PLAYING OUR SONG. Book by Nell. SIMON. Music by MARVIN HAMILSCH. Lyncs by CARCYLE BAYER SAGER. Group bookings 01-839 3092.

ST. GEORGES. THEATRE Turnell. Each.

INGS 01-839 3092.

ST. GEORGE'S THEATRE. Tufnell Park, N7. E98, 7.30. Mats. 2.30. 24 Hr Bkg. 607 1128, Top't. Topror & Ties (2.30): MACRETH. Two 6 Weg: THE MERCHANT OF VENICE.

Theatre is fully alr-conditioned.

STRAND, 01-836 2860, Evenings 8.00.

Mat. Thurs, 3.00. Sat. 5.30 and 8.30.

LONGEST-RUNNING COMEDY IN THE
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SPEARE Theatre (9789) 252271. Info.

COMPANY IN AS YOU LIKE IT, TOMOR.

mat. Sept. 27 mat. 2.02, HAMLES
Mon. Tues. Thurs. 7.30. ROMED AND
JULIST Wed. 7.30. Thur. mat. 2.00.

Selt. 29 7.30.

TALK OF THE TOWN. 05.714 6051 Selt. 29 7.30.
TALK OF THE TOWN. 01-734 5051
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LONDON'S GREATEST NIGHT OUT
From 8 o'clock. Dining and dancing 9.30
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Winner of 8 Tony Awards. Evs. 730,
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YAUDEVILLE S CC 01-836 9988.
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Eves. 8.00. Sets. 5.30 and 8.30. Wed.
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new thrilder by Simon Gray. new thriller by Simm Gray.

VICTORIA PALACE CC 01-828 6735-6.

01-833 1317. Evs. 7-30. Mal. Wed.

and Sat. 2.45. Annies. Group esles box

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WEEKS. Ton't., Tomer 7-30. Brecht's

BAAL AI Seats 51.50. students 52.00

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T.00 (not Sun.), 3.20, 5.55, 8.25, 3.2 CAN'T STOP THE MUSIC (A). In Doby Stereo. Progs. 1.40 (Sun. from 2.30, 4.40, 7.45. CLASSIC 1, 2, 3, 4, 5, Oxford St. 01-456 0310 (opp. Tottenham Court Rd. Tabel: Fully air conditioned. 1: XANADI: St. In Dolby Stered. Progs. 1.00, 3.00, 5.00, 7.00, 9.00, 2: INFERNO IO: In Dolby Stered. Progs. 1.20, 4.05, 8.10, 3.30, 3: BREAKING GLASS (AA). Progs. 7.10, 3.30, 5.55, 8.20. J. 5.55. 8.20. McVICAR (X). Pross. 1.10. 3.30, 5.55. 8.25. S: AIRPLANE (A). Progs. 1.00, 3.00, 5.00, 7.00, 9.00. CLASSIC. Leicester Square. 01-930 6915. HARLEQUIN (X). 2.15. 5.40. 9.05. THE KLANSMAN (X). 12.30 (not Sub.). 3.15. 7.15. CURZON, Curzon Street, WT. 499 5737. Bertrant Tavernier's UNE SEMAINE DE VACANCES (AAJ. (English sub-cities) Progs. 2.00 (not Sun.). 4.05, 6.20, 8.49. ODEON HAYMARKET. (930 2738-2771) ROY SCHEIDER (n a 808 FOSSE Film ALL THAT JAZZ (X). Sep. Pross. 1.30. 4.40. 8.00. Late Night Show Fri & Set 11.20. 11.20.

ODEON LEICESTER SQUARE 1930 8111)
Nell Simon's CHAPTER TWO 'A)' Sec.
101. Drs. open 1.00. 4.15. 7.30.
Labe. Night Show Fri & Sat Drs Open STUDIO 3. Oxford Circus. 437 3300: Lic'd Bar. THE DEER HUNTER (X). 12.45. 4.05 7.30. Late Show Sat. T0.50. EVE has outlived the others because of a policy of her play and value for money. Supper from 10-330 am. Disco and too maskcian, stamorous hostesses, exciting Roorshows, 189, Regent St. 734 0557. GARGOYLE, 69. Down Street, London W1.
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MESTMINISTER THEATRE, 01-834 0283,
HUGH MANNING as C. S. Lewis in
SONG OF THE LION. Opens 25 Sept.
7 pm. Sub. eves 7.45 pm.

IVON HITCHENS Paintings: New (by Geoffrey Easton, 13 Sept. to at Bohun Gallery, Station Road, on Thames, 04912 6228. Please send me details of your subscription rates and how to receive the Financial Times regularly.

ACROSS

1 Wave unlikely to drown

10 Barometer on landing stage 8 Laundress on tap (6) featured in Mirror at length 14 Small number taking cake (4, 5) (5, 4)

11 Iron-master newsman sank 16 Change for instance ought to

13 Aircraft sold for cutting 19 Two beasts put in compound down (7)
Discontinue little drink (4)

20 Lad seen torturing marine

ing Leaves of Grass (6) work (7) 23 Inclined to spare road june- 22 Born to like determined tion (5) 24 Extended all the runners in 25 Gift to blonde outside left

the deep (4, 5)
26 Address of daughter is on route (9) 27 Near a fresh battleground 28 Firm in decline (3)

29 Travelling footman got up to

DOWN

is restrained (5)

Roman times (7)

bloom (7, 4)

I Except on front stay dignified (4, 4) 2 Come across start to fight

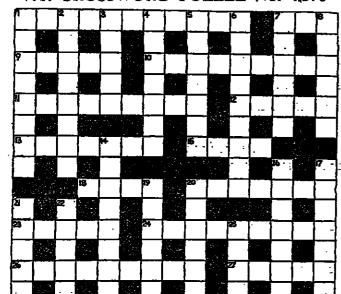
2 Degree to which Mr. Heath

4 Concerto ruling the roost in

10.15 Living Legends (London and South East only). 10.45 News Headlines.

All Regions as BBC1 except National News. 12.40 am News and Weather for Northern Mill at One. 1.45 Bod. 3.20 All Region
Ddeng Mlynedd Yn Ol—Neu Fwy: as follows:
Ten Years Ago—or More. 3.53 BBC CY

F.T. CROSSWORD PUZZLE No. 4,378



9 Farewell to tip-top servant 7 Long for Pole to be a coward

12 Soothing word put yonder 17 Mark off to become academic

creature (4, 3) 18 Pack self-starter on tug (4) 20 Quality inspector of needle- 21 Young men about town read-

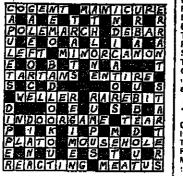
hound (6) (5) Solution to Puzzle No. 4377

5 Worked with the hands as

required by speaker (7)

6 Accurate troop arrangement in Tory fashion (5, 4)

include second self (5, 3)



7.00 It's a Knockout. 8.20 Terry and June. 8.50 Points of View. ---9.25 Starsky and Hutch.

†19.50 The Late Film: "Lonely 3.55 pm Northern Ireland News. Kirk Douglas.

10.50 News for Northern Treland;

Ddeng Mlynedd Yn Ol—Neu Fwy:
Ten Years Ago—or More. 3.53
Regional News for England (except London). 3.55 Play
School (As BBC2 11.00 am). 4.20
Laurel and Hardy, cartoon. 4.25
Puzzle Trail. 4.40 Buford Files and Dinky Dog. 5.95 Four-in-Hand. 5.25 Paddington.
5.40 News.
5.55 Nationwide (London and South East only).

South East only).

Touch of Evil." starring Charimens Ago, and Leeds and Line of Evil." starring Charimens and Chemical Company (Brimingham) (Bri

-- ampton); Spotlight South West

7. (Plymouth), 10.15-10.45 pm East

1. (Norwich) Weekend; Midlands

1. (Birmingham) Riding on Top of

1. the Car; North (Leeds) Girl in

2. Gidder; North East (Newcastle)

1. Mr. Bull's Battle; North West

1. (Manchester) Country Concerns;

1. (South South West

1. (South South South West

1. (South South West

1. (S

1.55 pm).
2.30 pm Racing from Newbury.
4.56 Open University.
6.55 Daris: Unipart World Team Matchplay.
7.25 Mid-Evening News.

7.25 Maclend's America. 7.35 Cardeners' World. 8.20 Southampton Ir tional Bost Show. 9.50 Ronnie Prophet Enter-

¹3ins 10 45 New might. 17.39 Darts

†12.15 am The Outer Limits. LONDON 9.30 am Rocket Robin Hood. 9.50 Nature of Things (the Mendi). 10.40 Story Hour. 11.30 Mendi). 16.40 Story Hour. 11.30
The White Stone. 12.00 A Handful of Songs. 12.10 pm Once
Upon a Time. 12.30 Home Made
for the Home. 1.00 News, plus
FT Index. 1.20 Thames News.
1.30 For Maddie With Love. 2.00
Houseparty. 2.25 Racing from
Ayr. 4.15 The Danedyke Mystery.
4.45 Runaround. 5.15 Emmerdale
Farm. 3.45 News. 6.00 Thames.
News. 6.30 Thames Sport.

RADIO 1 (S) Stereophonic Broadcast ‡ Medium Wave only

5.00 am A3 Radro 2. 7.00 Dave Lee Travis. 9.32 Simon Batsa with The Golden Hour (part 1). 10.32 Andy Peebles. 12.30 pm Newsbest. 12.45 Paul Burnett. 2.32 Simon Batsa with The Golden Hour (part 2). 3.32 Pater Powell. 5.30 Newsbest. 5.45 Roundtable. 7.31 Annia Nightingale. 10.02 The Friday Rock Show (S).

RADIO 2 RADIO 2
5.09 am News Summery. 5.03 Steve Jones (S). 7.32 Terry Wogen (S). 10.03 Jimmy Young (S). 12.03 pm David Mamilton (S). 2.03 Ed Stawart's Request Show (S) including Racing from Ayr. 4.03 Much More Music (S). 6.03 John Dunn (S). 8.02 Sequence Time at the Redio 2 Beltroom (S). 8.65 Friday Night is Music Night (S). 9.55 Sports Desk. 10.02 Dad's Army. 10.30 The Organist Entertains. 11.03 Peter Clayton with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

5.00 am As Radro 2. 7.00 Dave VHF ONLY—Open University—6.00-7.00 am and 6.20-7.00 pm and for students in Radio Scotland and Radio Cymfu areas only: 12.00-1.00 am.

RADIO 4 6.03 John Dunn (S). 8.02 Sequence
Time at the Redio 2 Belfroom (S), 8.45
Friday Night is Music Night (S). 9.55
Sports Desk. 10.02 Dad's Army. 10.30
The Organist Entertains. 11.03 Peter
Clayton with Round Midnight, includ.
Ing 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

\$5.55 am Weather. 7.00 News. 7.05
Overture (S). 8.00 News, 8.06 Morning Concert (S). 9.00 News. 9.06
This Week's Composes: The Stemitz
Family (S). 9.55 Songs and Flute
News. 11.05 The Grand Experiment
The Year in Question. 12.05 Morning (S). 10.49 Serenade Concert
First News. 12.02 pm You and Yours. 12.22 pm You and Yours. 12.23 pm Decision Mekers.
The Year in Question. 12.55 Woather: 1.00 Night Evtra. 4.00 London Rulos.
The Year in Question. 12.55 Woather: 1.00 Night Evtra. 4.00 London Rulos.
The Year in Question. 12.55 Woather: 1.00 Night Evtra. 4.00 London Rulos.
The Year in Question. 12.55 Woather: 1.00 Night Evtra. 4.00 London Rulos.

(S). 12 20 pm Midday Concert, part at One. 1.40 The Archers. 1.55 Ship-1 (S). 1.00 News. 1.05 Midday Con-ping Forecast 2.00 News. 2.02 cert, part 2 (S). 1.50 Comparing Woman's Hour. 3.60 News. 3.02 Notes (S). 2.50 Music for Guitar (S). Listen With Mother, 3.15 Afternoon Notes (S). 2.50 Music for Guitar (S).

3.20 Emanuel Ax, piano recital, part 1

(S). 4.05 Interval Reading. 4.10

Recital, part 2 (S). 4.55 News. 5.60

Mainly for Pleasure (S) († and mono only from 5.20). 7.00 The Complete ways 6.00 News. 6.30 Going Places.

Webern (S). 7.15 Handel Concert, part 1 (S). 8.16 One Pair of Ears.

8.30 Hendel Concert, part 2 (S). 9.25

8.30 Hendel Concert, part 2 (S). 9.25

Nikos Skalkottas, pieno recital (S).

11.00 News. 11.05-11.15 C. P. E.

Bach (S).

VHF ONLY—Open University—6.00

7.00 am and 6.20-7.00 pm and for students in Radio Scotland and Radio

News.

Listen With Mother, 3.15 Afternoon
1.40 Proview. 4.45 North Story. 5.00

M. News Magozino. 5.50 Shipping Forecast.

1.50 News. 3.30 Going Places.

7.00 News. 7.05 The Archers. 7.20

Pick of the Week (S). 8.10 Profile.

America. 9.30 Kaleidoscope. 9.59

Weather: 10.00 The World Tonight.

11.05 Week Ending (S). 11.60 A

Book at Bedtime. 11.15 The Financial World Tonight.

VHF ONLY—Open University—6.00

7.00 am and 6.20-7.00 pm and for students in Radio Scotland and Radio BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbis Vincent Tele-phone Programme. 1.03 pm London Live. 4.30 London News Desk. 5.36 Music on the Move. 7.03 Black Lon-doners. 8.00 The Hitler Years. 8.30-5.00 am Join Radio 2.

(BLOCK CAPITALS PLEASE) Name Position Company Address Cut out and cand to Len Pearce, Subscription Telephone: 01-628 1211 Telex: 8814784 **FINANCIAL TIMES** EUROPES BUSINESS NEWSPAPER Palace

Oklahoma! by B. A. YOUNG

John Diedrich and Rosamund Shelley

After a descent into gloom appeared. There can never be a

singing quality, that goes back

Richard). When a composer comes along who has ideas like

the triplets on the strong beats

in "Many a new day," the

ability to compose a long developing ballet like "Out of

my dreams," we may hope again.

Meanwhile, it is one of the snags

of the musical revivals that cur-

rently entertain us that they

reveal the inadequacy of their

On the other hand, they

musical direction ensure that we

more recent rivals.

in Jud's smokehouse, where satisfactory rock musical, to my Alired Molina seems near to mind, because rock has not this

hang himself, we return to through Kern and Friml to another of the show's novelties. Lehar and Strauss (not

accepting Curly's invitation to

the long ballet, choreographed

by Agnes de Mille and re-staged

hy Gemze de Lappe, that ex-

presses the emotions of the moment better than pages of

Mr. Hammerstein's rustic dia-

logue could. Dancing starts the

next act too, with the big party

in train for solution. Curly wins

Laurey, pore Jud is duly dead

No doubt about it, it's the

their genre has dis-

songs that make the show, and

such soporific tempi for the first

decently sturdy Rondo came far

pite the lyrical sweetness of Miss

Brown's playing and a radiant

tutti in mid-movement, through

the obstinate refusal of the

orchestra to allow any hint of

production was announced, I wondered whether it could compete with the endless performances by amateur groups, with whom it is a favourite. There is no doubt that it will, not only because it is such a fine show, but because it is so ably done. I hope it runs for years, so that I can go and see it often.
What makes it such a
favourite is that extraordinary run of songs. Nowadays if you have one hir song in a musical, that is about all you expect. and it normally comes half-way through the second act. In Oklahoma!, the curtain has only just gone up on Aunt Eller churning milk on an otherwise empty stage (and how this opening worried the investors in 1943!), when a voice offstage begins singing "Oh what a beautiful morning!" and on comes Curly, singing his heart out in a song specifically designed to set a mood of happy optimism. But this is not all. Before the first scene—not the first act, the first scene—is over, we have also heard "The Surrey with the fringe on top." "Everything's up to date in Kansas City." "I'm just a girl who cain't say no." "Many a new day" and "People will say we're in love." No musical before or since ever started like

classic as Gormen. When this

this.
At the Palace, all is well, Aunt Eller is Madge Ryan, almost the only well-known name in the rederricatio foung company: Laurey's farmhouse, with its background of tall corn, is a stunning design by Tim Goodchild; and Curly is John Diedrich, a splendid newcomer from Australia, handsome of face and handsome of voice. rurey is taken by Rosamund Shelley, radiantly pretty and lieten to.

ndroted from a novel by Oscar Hammerstein, is simple and roodie and Jud Fry the baddie. battle for Laurey, and by way of a sub-plot two men, Will the romantic (Mark White is romantic enough but a little where all the disputes are set short of muscle) and Ali Hakim the comic (Linal Haft is that all right) battle for Ado Annie and Indian Territory becomes (Jillian Mack, who combines the Oklahoma to a terrific chorus. comic quality of the one with the other's need for a touch more strength).

Festival Hall

London Mozart **Players**

by DAVID MURRAY

Mark Elder has just become Concerto: would she encourage Principal Guest Conductor of her cohorts to show some the Players, and his gift for spirit? was attractively in evidence in Elder settled upon, or sank into, Wednesday's programme. The dark sonorities of Mozart's two movements -especially the Masonic Funeral Music were Larghetto, which passed here for an interminable Largo - that a plangent, even at a more pressing tempo than the piece seems to invite, and in the "Prague" too late. (And there, Miss Brown Symphony he compensated for sacrificed the character of the tame strings by beautifully main tune by sliding hastily transparent handling of the across the bar-line between its winds. Something of the dan initial upbeat and downbeat gerous energy of the music was every time). The majestic every time). The majestic serenity of the opening Allegro elided, but there was enough smooth strength, and the chroat last became oppressive, desmatic turns of the Andante were

most delicately shaped. Where the musical weight was carried by the strings, as in most of C. P. E. Bach's fine, laconically pithy Symphony in F -- dramatic excitement in developwelcome imagination in the pro- ing passages. The solo violin gramming — the results were suggested a flight of larks at inclined to be dull. There is the outset of the Larghetto — little bite in the Players Miss Brown revels in the aerial violins. One looked forward with regions above the stave - but special interest to the appear- as phrase succeeded longdrawn, ance of Iona Brown, the undershaped phrase, the shapes sprightly leader of the Academy of the music melted like wax. of St. Martin-in-the-Fields, as The Concerto really has a much soloist in the Beethoven Violin stronger backbone than that.

Wigmore Hall

Adeney, Wallfisch, Johns

Martinu is one of that group melody. of 20th century composers with neoclassical tendencies—Hindemith is another — whose music will be due for reassessment before very long. At present we hear only a small fraction of his huge output, and that chiefly because he provided works for less usual instrumental combinations. It is some measure of the paucity of the repertoire for the trio of flute, ce'lo and piano that Martinu's trio of 1943 was the main item of interest in the recital given on Wednesday night in the Wig-more Hall by Richard Adeney. Raphael: Walifisch and David

There is little to offend delicate sensibilities in Martinu's trio. It is unfailingly well written for the en-semble; the finale is prefaced by a heautiful, languorous flute solo (suiting Mr. Adency's elegant style very well) before culminating in inevitable motoric Allegretto, and the first two movements continually light upon engaging snatches of

The whole work is tacked together out of such moments, but at least it does not pretend any greater pro-foundity.

The detached preciseness of the ensemble there also extended to the trios by Haydn (a work better known as a conventional piane trie in D major) and Weber. As considerable makeweights. Mr. played Schumann's Stucke in Volkston, with rather wiry tone and lack of unagination when Schumann's fautasy takes flight, but strongly articulated in rhythm and firm of pitch, while Mr. Adeney played C. P. E. Bach's A minor sonata for solo flute and Prokoflev's D major Sonata. The Prokofiev performance was markedly inferior to the evening's other offerings, so much so that one wondered whether adequate time had been left to rehearse it; and how long it was since Mr. Adeney had last played the

Lloyd Webber musical inspired by Eliot's poems

be a musical, Cats, inspired by Royal Shakespeare Company.

poems of T. S. Eliot.

Composer Andrew Lloyd Superstor, will emphasise danc-Webber's pext project, due to ing. Choreography will be by open in London next April, will Gillian Lynne and the director will be Trevor Nunn of the The production in contrast to other half of Evita and JCS. Lloyd Webber's other works will not be collaborating in the such as Evita and Jesus Christ production.

ANDREW CLEMENTS



Xanadu (A)

Chuaviago

Emotional wastelands by GEOFF BROWN

The Marriage of Maria Braun Screen on the Hill, Cinecents, Odeon Kensington The Third Generation Electric Cinema Club
(from Monday) German film week National Film Theatre

Films continue to tumble out of the amazing Rainer Werner Fassbinder in a way hardiy seen since Hollywood's conveyor-belt days, when a director thought nothing of notching up six lowbudget westerns a year, with the same actors, horses and back-drops slightly shuffled around. After his 1978 film In a Year With Thirteen Moons a fortnight ago, we now-in the same week have another film from 1978, The Marriage of Maria Braun, and one from 1979, The Third Generation. But in some ways Fassbinder is beginning to seem more like a studio than an individual director; the films are bound together by their repertory company of performers and technical staff, yet their style and quality jump about like fire-

crackers. The Third Generation,

for instance, is a fairly hideous, inchoate potboiler, thrown together with fury: The Marriage

deliberate "artistic" style, cool and classically controlled.

Maria Braun is made with

Fassbinder has probably won more commercial success with his romantic story set in post-war Germany than in any previous film, and its lead performer, the luminously beautiful Hanna Schygulla (familiar from Fassbinder's earlier Efft Briest). is now in a position to turn down work with Marlon Brando. The reasons are obvious. The narrative is strong and simple, and all the world loves a pair of lovers, especially when there are so many obstacles and complications put in their way. Maria's love for Hermann has survive separation immediately after their wartime marriage (splendidly conducted among falling bombs and debris); there is further separation once Hermann returns and remind us that there is still a is put in prison for allegedly call for real singing (even if killing Maria's friendly black discreetly amplified) and real American soldier. While Herdancing. James Hammer tein's mann wilts behind bars, Maria production and Ray Cook's visits him in increasingly resplendent costumes - testahave both, and Tim Goodchild's ment to the wealth she's acquir-

more) to a textile industrialist.

known devotion to the Holly- to find that all but one of the wood melodramas of Douglas films carry subtitles. Monday's Sirk, knows exactly how best to opening attraction, at 6.15, orchestrate such a tale with is Heidi Genée's 1+1=3, a film clangorous chords of music, or to use the interior decor to the intricacies of its characters, reflect on his characters that even earphones couldn't (characteristically depicting kill it. The title's erratic equathem within a complex framework of doors, stairways and windows). But he has still left out one key ingredient from the recipe: emotional urgency "It's a bad time for emotion," Maria muses at one point during her self-willed journey up the ladder of material success, "but I like it—nothing can really hurt you." Unfortunately, as the film advances Fassbinder seems to have taken her too much at her word-achieving his effects of style with so much precision that nothing can really hurt, or touch, the audience either. Moreover, the parallels Fassbinder strives to make between favour of breast-beating or self-Maria's progress and the propost-war Germany remain far too submerged to be of any use. The Marriage of Maria Braun contains a good deal of impressive cinema, but too much of it smacks of cold calculation.

The Third Generation veers to the other extreme—a film so noisy and frenetic, so rough hewn in its construction, that audiences are advised to watch it with a damp flannel permanently across the forehead. It is subtitled "A comedy in six parts, about party games, full of suspense, excitement and logic, horror and madness"; those performing the party games are a group of notably confused terrorists seeking to kidnap a prime symbol of degenerate capitalism - the director of a multinational computer organisation. Fassbinder's regular company appear with two French recruits Bulle Ogier and Eddie Constantine-who help to reinforce the film's connections with the stylistically and politically anarchic work of Godard in the Sixties. But Godard's lucidity and wit is nowhere in evidence. Those interested in seeing

German films not directed by Fassbinder will have plenty of chances at the National Film Theatre from Monday, September 22 to the following Sunday, when 13 recent productions are on view. Anyone terrified of designs keep them fine to 'ook ing (on Hermann's behalf) in strangling themselves with a on. This Oklohomo! must surely her job as personal adviser (and pair of redundant earphones

so full of warmth, so alert to the intricacies of its characters, that even earphones couldn't tion comes about because the heroine, an unmarried actress superbly played by Adelheid Arnt, decides to have her baby without the aelp of two ministering males (one of them the father), and despite the advice of friends or professional col-leagues. Hardline feminists might be disgruntled by Heide Genée's decision to treat the situation as optimistically and cheerfully as her heroine; but the rest of us should be enormously gratified to find a film which concentrates with such honesty on social issues and human relationships, and never loses its sense of humour in pity. The film is repeated on Saturday at 4.15: let us hope Can we now only conceive of that a proper commercial run Coleridge's "stately pleasure-in London isn't too far away. dome" as a throbbingly vulgar

someone up on the silver screen calmly says "I'm the daughter of Zeits" (actually Zoose) and in all. Xanadu doesn't augur "I come from Mount Helicon": well for the future of civilisamust therefore be tion.

recommended to all snappers-up Chuquiago, meanwhile, at the of unconsidered trifles, espe- ICA, doesn't augur particularly cially when the immortal person and smile still twinkling merrily), the Electric Light Orchestra (providing an equally hilarious watching them drift Is this really what the Hollywood musical has been reduced to-piles of cheap glitter and songs so banal that they hardly enter one ear let alone come out of the other? palace of disco frenzy, or the Now then. It isn't every day characters of Greek mythology omeone up on the silver screen as glossy figures from fashion-

Chuquiago, meanwhile, at the well for the future of civilisain question is Olivia Newton-John, flouncing about with one picture of social disunity, exor more shoulders bare and tremes of wealth and poverty about as much charisma as a and a general itch of disaffec-lamp-post. Her partners in this tion. Coming from Xanadu to monstrously inept exercise in this Bolivian film of 1977 empty-headed entertainment directed by Antonio Eguino, include Gene Kelly (approaching seventy but with his eyes and smile still translations in the seventy but with the culture-shock. For the seventy but with the culture-shock. glitter here, no daughter of Zeus to make dreams come true. Instead, the camera is steadily twinkling soundtrack) and a trained, in a neo-realist fashion, great many happy people on on the ignominies and ironies or roller-skates. It's certainly living in the country's capita living in the country's capital city La Paz, built on a mountain amust the most threadbare plot and shoddy visual effects. But the poverty of the film's imagination ultimately proves sobering. Is this really what the power obscures Equipo's and the higher the altitude the poorer the people). Four slightly overlapping stories are related, with a neatness that never obscures Equipo's around for 90-odd minutes side (and the higher the altitude amidst the most threadbare plot the poorer the people). Four problems of his four characters -ranging from an urchin who scrapes by doing odd jobs to a well-heeled university student with a wavering commitment to radical politics. This is Bolivia's most popular film, outdistancing even Jaws at the box-office. Unfortunately the print available here looks as though it's seen the inside of more projectors than was good for it; the film itself, however, can be firmly recommended.



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To receive and chasider the annual financial statements of the company for the year ended August 31.

1980.

To elect directors in accordance with the provisions of the company's articles of associations. The transfer registers and registers of members of the company will be seed from October 16 1980 to knober 23 1980, both days inclusive. A member emitted to stand and ote at the meeting may appoint a stead, speak and work in its stead. A proxy need not be a member of the company of the Soard Numbers 250859 5 bats Nigerlan Cocosbeans, Gross weight 301 kilos. imbers 250026 158 bags Nigerian Coccabeans. Gross weight 10.008 kilos. Numbers 250860 S bags Nigeria Coccabeans, Gross weight 301.5 kilos Anyone claiming to be entitled to these ods is invited to enter protest by means summons against the delivery of these ods or the tisue of a Dublicate HANDELSVEEM B.V. AMSTERDAM (COCOA DEPT.)

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Friday September 19 1980

Tighter grip on councils

and fast between the local authorities and the Government have been belied by the facts underspending their budgets contained in yesterday's statement on local government finance from Mr. Michael Heseltine, the Environment Secretary. Not all the local authorities are run by irresponsible and selfserving profiigates, who hold in contempt the Government's efforts to make economies in the public sector. Mr. Heselthe. for his part, has not behaved like the tyrannical batchet man represented in some of the councils' more intemperate

Mr. Heseltine's call for a tightening of budgets has elicited a reasonably helpful response from most councils. Starting from the 5.6 per cent level of overspending implied in the original budgets which Mr. Heseltine received in April. £390m has been trimmed, bringing the revised budgets to within 2.6 per cent of the ceiling contained in the Government's public expenditure White This degree of overspending, amounting in cash terms to £350m, would still be unacceptable, but there are grounds for hoping that the authorities will, as usual, spend somewhat less than the maximum levels allowed for in their budgets. Over the past five years, councils have typically ended up 3 to 4 per cent below

Manpower

The fact that local authorities have generally been acting somewhat less irresponsibly than the Government has at times suggested is also indicated by the manpower figures published by Mr. Heseltine. These showed a cut of 29,000 staff in the year to June. While this is only 1.4 per cent of the councils' employees, it marks a of the unhealthy trend which had come re-established after the Labour Government's big cuts in 1976. It also compares quite favourably with central government's manpower performance. Provided that the local authorities can maintain the impetus of staff reduction, the signs so far suggest that they could end up with a greater improvement among its own civil servants.

SOME OF the wilder accusations ment's plan, there is still far which have been flying thick more to be achieved.

As Mr. Heseltine pointed out, the council's recent record of may not be a good guide to this year's outcome, simply because they have never before been forced to budget as carefully as they have this year. Further, within the aggregate figures, there is a great deal of disparity between those authorities which have attempted to economise and those which have ignored the Government's requests. It therefore, understandable that Mr. Heseltine wished to impose penalties on the most recalcitrant authorities and that he has decided to keep back

some of the money promised in the Rate Support Grant settlement until the level of actual spending can be observed at the end of the financial year. Unfortunately, the techniques

available to Mr. Heseltine to day or less because its oil is tackle these problems are overpriced in a surplus market. imperfect. His method of selecting the 14 councils which are to be specifically penalised is arbitrary. It will no doubt raise the bogey of central government dictatorship over-riding the preferences of local elec The general measure to contain spending — the withhold-

ing of £200m of Rate Support Grant — can be criticised as too indiscriminate and, quite possibly, ineffective. If the councils as a whole overspend, then the RSG will be reduced for all of them, irrespective of where the blame actually lies. Furthermore, if the Government is driven to acting in this way it will be because it has failed to prevent overspending. The effect will simply have been to transfer some of the burden of local spending from the Government's own borrowing requirement to that of the local authorities and eventually on to rate bills.

Clumsiness

Given the clumsiness of the present system of financing local government and the urgency of the need to control public spending, Mr. Heseltine seems to have struck a reasonable halance between coercion and persuasion and between the demands of local democracy and ment has been able to achieve introduction next year of a new method of calculating the Rate However, in spite of the Support Grant will make his efforts which have undoubtedly task somewhat easier. But in the been made by some authorities long run a more fundamental to live within the means pre- overhaul of local government scribed for them in the Govern- financing is still needed.

No grounds for divorce

the definition of a perfect friendship was one where each of the two partners believed that he or she was slightly superior to the other. It is a recipe that ought to apply to Britain and France, yet sadly

The summer of 1980 in particular was not an especially good one in terms of Anglo-French relations. Whether the subject was apples, sheep-meat, or the striking French fishermen, the two countries were never very far from each other's throats. at last metaphorically speaking. What is more, it is hard to cape the impression that that is the way that both sides like it. Britain and France are so close, yet so different, that they play up the disagreements while tending to overlook what they have in common. It is a healthy enough rivalry in itself, pro-vided that it does not get out

Mutual

The meeting between Mrs. Thatcher and President Giscard d'Estaing in Paris today, to be followed by an Anglo-French get-together in Bordeaux which President Giscard will not attend, is not exactly the first of its kind. Mr. Heath, when he was Prime Minister, sought not unsuccessfully to put Anglo-French relations on a better footing in his talks with the late President Pompidou. Mr. Callaghan did it again in his meeting with President Giscard in London in 1976. Nor was the good will by any means only on the British side. There appeared to be a mutual determination to forget about old antagonisms and to work together. Yet it

did not last. One of the lessons to be to establish a new basis of trust historical, reasons: old colonial message needs to go all the way rivalries, for example, and the down the line.

fact that France is more naturally a European power than Britain, with an ability to have an influence on continental affairs that is denied to the once Perfidious Albion. Yet if the heads of state or government can agree that these are the quarrels of yesterday, it ought also to be possible to pass on the message to those who serve them.

It is perhaps painful for the British, but none the less true, that on areas of disagreement the French have often been right. They were right about foreseeing the energy crisis and right about the need to take account of the Palestinians in the Middle East at a time when practically everyone else was dismissing the PLO as a purely terrorist organisation. On the other hand, the French were wrong about an independent Europe. It is the British (and German) view of the need to give at least equal weight to maintaining ties across the Atlantic that has prevailed and which is now accepted by M. Giscard d'Estaing, the most Atlanticist of French Presidents. Both sides were wrong in their initial enthusiasm for Concorde, a fact which the French might now have the objectivity to admit.

Formidable

There is no shortage of shared experiences and they all point in the same direction. Even the French fisheries dispute which simultaneously irritated and delighted British tourists only illustrated the need for a common fisheries policy. The two countries do after all live in the same world, the same Com-munity and the same alliance. even if the French are outside the military organisation. Exceslearned is not only that efforts sive Anglo-French rivalries serve neither Britain nor must begin at the top; they must France; nor do they serve the also be sustained. The level at wider bodies to which, in the which Angio-French relations common interest, they have have so frequently come under chosen to belong. Since there strain in the past is that of can be no grounds for divorce, foreign ministries. The Quai it is better to make the best of d'Orsay distrusts the Foreign the marriage. The British and Office and the Foreign Office dis- French together could be a trusts the Quai almost from the formidable combination. For top downwards. There are some Mrs. Thatcher and President understandable, though mostly Giscard to succeed today, the

Saudi Arabia puts the squeeze on Iran

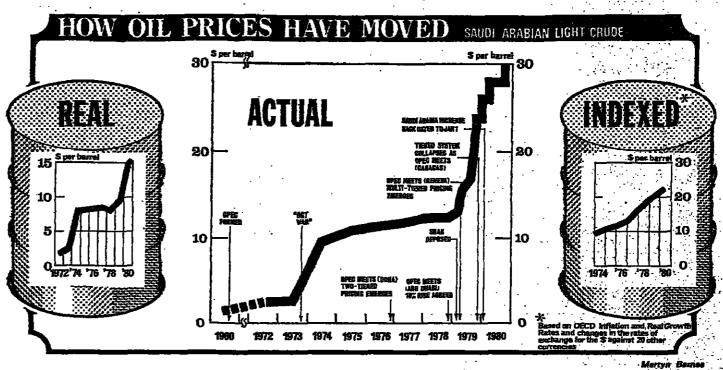
OPEC to forge new policy that would link automatic price increases to a new framework for production foundered, more than anything else, on the refusal of Iran to go along with the whole scheme.

This has underlined the extent to which Ayatollah Khomeini's regime is a new and disruptive factor within the 13-nation oil producing group. In the past, inter-Arab rivalries have strained the organisation on a number of occasions. But generally it has managed in the end to keep non-oil politics out of the deliberations.

In this week's Vienna meeting, however, even Venezuela, the effective founder of OPEC some 20 years ago, could not contain the differences between some of those present.

Instead of agreeing to the careful OPEC formula - to which Algeria offered amendment that appeared close to acceptance -Iran did not budge from its contention that the price of oil should immediately be set at a rate comparable to the cost of developing other energy sources. Iran has already used this argument to drive up prices for its own light crude (\$35.37 a barrel compared with \$30 for an equivalent crude at the new Saudi price) and has seen its exports slump to 1m barrels a But most of its partners in OPEC were convinced that the real reason for Iran's objections is its bitter hostility to Iraq and, to a lesser extent, Saudi Arabia The Saudi response to this has emphasised again the way in which the kingdom can still bestride the organisation. Bol-stered by its own new-found tactical alliance with Iraq, Saudi Arabia reversed its earlier decision to cut output and said that it would go on pumping at the rate of 9.5m b/d,

Richard Johns reports on OPEC's failure to agree on a new pricing formula and (below) Ray Dafter looks at the oil industry's reaction.



timed at putting an intolerable squeeze on Iran which by the end of the year could find its foreign exchange reserves—or those not frozen by the U.S.—at an extremely low

The key question now is whether the other members of OPEC will be prepared to hammer out an agreement on a price supply formula without

Compromise with Algeria and Libya the other two members who objected to the OPEC formula, seems possible at the special meeting of oil Ministers set for October 14, probably

Saudi strategy is now clearly in Geneva or London. Up to now. unanimity has been the rule in OPEC, but the statutes make no reference to summit meetings, so it is possible that they could all agree effectively to ignore Iran at the summit and formally approve strategy.

In the meantime, this week's meeting has demonstrated that the Saudis have lost none of their talent for surprise. Just before midnight on Wednesday it had appeared that three days of talks had ended in disarray. Then OPEC announced the Saudi \$2 a barrel price increase and said that other members

end of the year. This will be enough to keep

the idea of some kind of pricing formula alive as the rest of the organisation seeks new ways of reaching its most essential objective-agreement on automatic price increases and a commitment to balance supply

recommendations, they still stand, are that prices should be regularly increased to take account of: Inflation, as reflected in the

cost of goods and services exported by members of the Organisation for Economic would freeze their rates till the operation and Development.

• Fluctuations in the value of the dollar measured by the movement in a basket of currencies, including the U.S. unit, is likely to remain indefinitely the one for accounting for oil prices, as well as the main means of payment. The average growth rate of

the industrialised countries can absorb. Higher costs of oil imports by developing countries

tinued to press in Vienna for

perpetuating increases — their own very high rates of growth In their French educated manner, the Algerians ruthlessiv pursued their goals, as concerned as anyone not to luse face. But once the time for bargaining was over, as usual, they realistically offered a compre-

On Wednesday afternoon they presented an amendment to the report's indexation recenmendations. Libya, it seems was prepared to go along with it. Algeria proposed, according to circumstances including market conditions, a margin of 5 per cent above and below the basic reference price set by the report's formula, as outlined in the final draft.

It demanded in return a production programme to control overall OPEC output as a means of maintaining prices at the desired level. Traditionally, Arabia has . been Saudi adamant in its opposition to any idea of supra-national interference with its sovereign right to set its own rates of output.

Officially, Saudi Arabia has not changed its policy. I is believed, however, that the kingdom would accept "pro-rationing" in return for a binding commitment and an adherence to the more moderate system of indexation recom mended in the report. Saudi Arabia may have seen the Algerian proposal for a 5 per cent marginal swing as a major loophole that could make agreement worth no more than a string of beans.

But some compromise would the OECD-to give producers have been possible and by conrevenue gains in real terms that tinuing to pump oil at 9.5m b/d Saudi Arabia is now putting pressure on the upper tier prices charged by Algeria and would be defrayed by OPEC aid. Libya. It is thereby laying Iran, Algeria and Libya con- credible fo undations for price unification at the end of this the inflation component to be year, when Saudi Arabia, in based on OPEC members' return for adoption of the index,

Oil industry continues to hold its breath

T may seem that oil coming advantage more forcibly cent) on the price of the stored and that, with crude in plenti-panies have been holding and been more aggressive in oil (an average of \$35 a barrel) ful supply prices began to fall their breath this week as ministers of the main exporting countries tried to restore order to the crude oil pricing system. Certainly they have remained very quiet. Having been pushed to

the sidelines of price-setting deliberations, the companies are now concerned not to upset the different factions the Organisation of Petroleum Exporting Countries. which could trigger further disruptions in the oil supply pattern.

kingdom has raised its tariffs days' supply closer to the \$32 a barrel As a result, there should be reference level set by OPEC no oil shortages this winter—

Standard Oil of California

the products markets. The fact that they have shown

this apparent restraint may have much to do with politics; they may have thought it prudent not to increase market shares significantly because of Saudi Arabia's policy of pricing moderation. So, instead, they have joined

the rest of the industry in build-ing up stocks of crude oil. With world oil production now running at about 2.5m barrels a in excess of depressed demand, stocks have risen to keenly interested in estimated that non-communist events in Vienna. A Saudi world stocks now amounted to Arabian price increase of \$2, 5bn barrels or roughly 100 days' te \$30 a barrel, was always on supply. This compares with a the cards. Some companies- midsummer average in the those without access to Saudi main developed countries over crude—are relieved that the the 1976-79 period of about 80 As a result, there should be

at its summer meeting in and for much longer if Saudi Arabia continues to produce at The industry acknowledges 9.5m barrels a day. It costs that the main recipients of the industry about \$12.5bn a crude-Exxon. Texaco, year to store 5bn barrels, but ably aware that during the the total storage hill comes to (Chevron) and Mobil-could a notional \$39bn annually if the perception of a permanent of and liquids from the pressed home their pricinterest charges (say 15 per energy problem was dulled, put at \$30-\$50 a barrel.

are taken into consideration. It is a sobering thought that during the past decade there have been just two periods, about 18 months in total, when there was a real sellers' market and oil was in short supply. Apart from 1973-74 and 1978-79.

oil has been in surplus. And yet, during the past decade, the price of Saudi's Arab Light crude has risen from \$1.75 to \$30 a barrel, basically in two big steps. The result has been something of a nightmare for oil companies. They have had to operat turaed upside down by the

worldwide inflation and lowered growth that followed the 1973-1974 and 1978-79 crises, They have had to contend with sudden, quantum leaps in the demands on their working capital. And they have had the embarrassment of " stock profits arising from the escalating price of handling

mid-1970s public and corporate

ful supply prices began to fall in real terms. The companies started to postpone some of the big non-oil energy projects that had seemed essential a couple of years earlier, For all these reasons the in-

dustry in general hoped that OPEC could find a unified pricing formula to ease some of the tensions among member countries and lay the foundation of a more stable oil market. Indexation-if based on a reasonable set of assumptions - could he a solution.

cost energy in a marketplace of the major advantages of an indexed pricing structure is that it would provide a further measure of confidence. Some alternative energy

sources, such as shale oil, tar sands and gas from coal, are aiready becoming commercially viable as a result of recent oil price rises. The American Petroleum Institute estimated in a report last month that coal-based gas could be But they are also uncomfort- manufactured and sold for the equivalent of between \$30 and \$36 a barrel. The cost of shale oil and liquids from coal was

orderly rise in oil prices. There causing a further panic and consequent big jump in prices. Dr. Ulf Lantzke, executive director of the International Energy Agency, said last week there was a danger of consumers being market-led increases when supplies were short. But if indexation is to work,

in demand. If the combined pricing/production formula is effective. OPEC should be able to counteract any supply disruption by one of its members.

The reasoning runs thus: Indexed prices would contribute to continued worldwide inflation and act as a brake on economic growth. They would further non-OPEC oil production. All these factors could help

the world to restrict its demand for OPEC oil to below 30m the 28.4 b/d average output for dictability to the oil market.

Not that there is any guaran- the first half of this year. In tee that there will be a gradual, this way OPEC would always have spare productive capacity must always remain the threat to exploit in an emergency. of a Middle East disturbance According to Petroleum Intelligence Weekly, OPEC members have sufficient production capacity to sustain an output of about 34m b/d for several months. In theory, then, it would be possible for OPEC as hit twice: by index-based rises a whole to make up for the lost at times of slack demand and by production from any one of its members with the exception of Sandi Arabia

It would be wrong to assume OPEC members must be pre- that the oll companies are For companies investing in pared to trim their output to bitterly disappointed about the They were always aware that an OPEC agreement on pricing and production controls would be difficult to achieve, particularly in Iran's present mood.

Companies will be eager to learn more about the assumptions that are to be used in any indexing system, together with assurances about price restraint stimulate energy conservation and security of supplies. In that measures and investment in respect, a delay in fixing the index may be welcomed. On the other hand, the in-

dustry hopes that OPEC will continue its efforts to bring barrels a day, perhaps to nearer more stability and pricing pre-

Lessons in democracy

Big Jack Spriggs, the shop steward who took over the boardroom in the pioneer workers' co-operative. Kirkby Manufacturing and Engineer-ing, joins the long Merseyside dole queue today.

He became the country's

best-known worker-director when Tony Benn, amid political uproar, backed the KME workers with nearly £4m of Government money in 1974. It was largely Spriggs' voluble persistence, alternately infuriating and impressing the politicians and civil servants, that kept the co-op going through repeated crises until

last year.

Reflecting ruefully on the failure in the empty factory last night, Spriggs told me: "It has been quite an experience; I think I have learned a lot "We tried to do too much

too quickly—tried to develop industrial democracy too fast while we were trying to turn the place into a viable business. There were some hard decisions to take, and I tried to seften them. There should have been more self-discipline."

ارخة

Spriggs is adamant that falling to pieces all over the ME's collapse does not mean carpet and clogging up the the end of workers' co-opera-tives. "There'll be more." he predicated confidently. they'll not make our mistakes."

The last man to leave the sunken ship in true Liverpudlian tradition, he has not Associated yet given much thought about Corporation how he will keep himself affoat. fat cigar, were in jaunty form He's 45, with a family, and at the annual meeting yesterstarted in life as a welder, day. Cheerily fielding questions "But a lot of skilled welders and conducting the proceedings round here are already out of with his hand-rolled baton, he work, or they've got jobs as hospital porters and bus Ideally, he would like to

work in industrial relations— ance of a third fixture from a "but relations with industry small corner of ACC's TV, film are a bit distant up here."

Needled

Queen Victoria would not have been amused could she have heard the way they were carry-ing on about her husband's bestknown contribution to British culture in London yesterday. The present-day output of Christmas trees, John Gent growled, is "rubbish." In the distinctly unfestive

surroundings of the Royal Agricultural Society, Gent was retailing a few uncomfortable home truths to the couple of dozen forest folk who turned up for the launch of the British Christmas Tree Growers' Association, a branch of the Timber Growers' Organisation.

for the tatty state of recent takes great delight in surroundcuttings, he said there had been ing himself with objets fine a shortage for the past two and costly. And to the profit years and "a lot of rubbish has of Britain's craftsmen, he finds been sold." Although prices much to appreciate in the UK. had gone up, and the home in-dustry was turning over £7m a Katz has spent the last seven year on sales of 2.5m trees, years preserving and restoring Gent warned darkly of a glut the home of the Edison family

Growers should build up a club-like spirit, he urged; help him, a private museum devoted and, of course, try to keep prices up. He is also, I am glad to say, eager to devise a way of stopping the analysis. one another out in the frantic to Thomas Edison, and a grand alad to say, eager to devise a The latest project ordered by way of stopping the product Katz is the re-binding of the

clockwork in my train set.

Those two famed fixtures at Communications Corporation, Lord Grade and his found himself uncharacter-istically stumped by a query from one shareholder concerned about the apparent disappear-

Bust gone

and entertainment empire. What, he was asked, had become of the bust of romantic Welsh songwriter Ivor Novello, which used to grace the Drury Lane Theatre? Briefly at a loss, the 73-year-

chairman, who has little free time for relaxing at the the mystery. "Maybe I've got it at home," he volunteered. have to check because all I know is a room with three telephones—and my bedroom of A penny for it

Collector Katz

"Stanley Katz." says Sir Hum-phrey Wakefield, "appreciates art. And he does it at 100 miles an hour." Head of the rowers' Organisation.

Leber Katz advertising agency, this high-speed connoisseur

looming as the plantations in New Jersey. Crumbling recover.

after 30 years' neglect when he found it, it is now home for

family library of 4,000 books. And as one would expect of a man who has built himself a castle, plays with finely engineered steam engines and spoils himself with a "baby" Rolls-Royce, he has insisted that the work should be of the finest

The latest batch of 30 volumes has just been "gilded in the purple" at the four-man workshop of BookEnds Bindery in North London, which, managing director Tim Siney may be pleased to hear, can now expect to receive another 1,000 for the morocco and gold trestment

Wakefield, happy to oblige Katz's Anglophile tendencies, is also hoping to have his uncle, Lord Wakefield, build another steam engine for this avid collector, who, I ventured, seems to have something in common with the squirrel. "Yes," says Wakefield, "he is rather like a squirrel with expensive tastes. But wherever he finds his nuts, he likes to have them polished over here.

Those amenable people at the Passport Office, who willingly accepted CND leader Bruce Kent's job description as "secretary," gave ev. 1 more latitude to Leslie Reich, northwest manager at Chesham Amalgamations. Reich tells me he was so fed up with being delayed at airports while explaining his passport designation as "merger broker," that when he renewed his documents he put himself down as a

" thinker. Since then, he tells me, the only hold-up he has experienced was at an Italian airport. "A thinker, sir?" puzzled the man with the rubber stamp. "Tell me a thought."

"Well." breezed Reich. "I'm a professional, so I shall have to charge you for it."

Observer.

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Disproportional representation

good or a bad thing that the campaign is so dull, one's own proportional view being that it is entirely comes in. It good. But do not expect much change. The result is said to be a foregone conclusion with the only doubt concerning the performance of Herr Schmidt's small coalition partner, the Free Democratic Party (FDP).

Those who advocate the introduction of a system of proportional representation in Britain along the lines of the German medel ought to be aware of how the German system works.

In practice, it gives the FDP quite disproportionate power. There has hardly been a time since the first federal elections in 1949 when the FDP has been out of office. In the 1950s and 1960s the Free Democrats tended to coalesce with the conservative. Christian Democrats (CDU). There was a deviation in late 1966 when the Free Democrats walked out of the government only to find themselves replaced by the Social Democrats (SPD) in a grand Democrats (SPD) in a grand destag entirely because of the coalition of the two big parties.

One of the aims of the grand ing chart shows, their vote in federal elections has never been coalition of the two big parties. coalition was to move to a two party system like the British higher than 12.8 per cent and and end the dependence on the in 1969 was as low as 5.8 per

WEST GERMANS are beginning to speak of Chancellor Helmut Schmidt as they once spoke of Konrad Adenauer. Not only is he a conservative (albeit in Social Democrat clothing) capable of defending his record two votes. The first is for a candidate who is elected on the principle of first past the post ments;" he also looks as if he principle of first past the post ments; ne also looks as if he principle of first past the post could go on for ever.

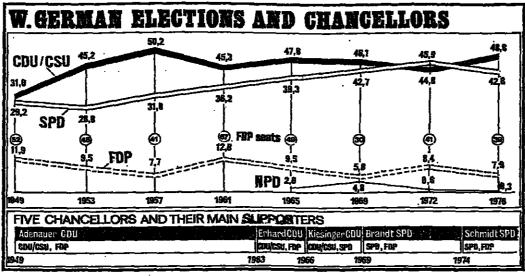
Certainly there appears to be stituency as in Britain. Only no threat to Herr Schmidt from half of the 496 members of the fine federal elections due on Bundestag (Parliament) are october 5, nor to anyone else elected in this way. The second in the governing coalition, vote is for a list of caudidates. There is a debate among intellectuals about whether it is a organisations.

It is here that the element of proportional representation comes in. It is the percentage of list or second votes received which determines how many of the remaining 248 seats in the Bundestag go to each of the parties. No party is allowed to be represented via the list system unless it wins at least 5 per cent of these second votes or at least three constituency seats. The method of distributing the list seats, known as the d'Hondt system, strongly favours smaller parties provided that they survive the per cent hurdle.

In the hope that all that is clear, it is worth going on to

small parties

make the following observations. In the first place, the Free Democrats remain in the Bun-FDP for good. The attempt cent. Yet the number of seats petered out. In 1969 the FDP awarded to the FDP reached 2 formed a governing coalition peak of 67 in 1961 and fell only with the Social Democrats. This to 30 in 1969.



In the second place, the Free Democrats not only seem to have a disproportionate number of seats; they also seem to succeed in taking disproportionate advantage of their powers. In the present coalition, for example, they occupy four key portfolios at Cabinet level: available. My own immediate foreign affairs, economics, agri-purpose is simply to describe. culture and the Ministry of the

Third, it should be noted so far that the system is not that voters may split their strictly proportional; it gives ticket. A first vote for the Free the FDP far more power than Democrats is wasted, since not even the FDP leadership expects rant. to win constituency seats. In served West Germany well practice, the party relies on sufficient Christian and Social design. The most interesting Democrat supporters giving year was in many ways 1969.

By contrast, the British their second vote to the FDP As can again be seen from the Liberal Party polled 19.3 per because they do not wish to chart, the FDP came as close cent of all the votes cast in the see either of the big parties as it has ever done in a Federal feetion of February, that in a Parliament of 635 of course, FDP voters pure and wing National Democratic Party more than a provider by the second vote to the FDP. As can again be seen from the chart, the FDP came as close cent of all the votes cast in the see either of the big parties as it has ever done in a Federal development of 635 of course, FDP voters pure and wing National Democratic Party wing National Democratic Party members, considerably larger simple, but it is highly doubt-than the German. of them to keep the party in

the Bundestag.
Readers will judge for themselves whether the German could, or should, be transplanted to Britain. It is by no means the only system proportional representation way cellor Brandt.

It will be admitted on the basis of what has been said its electoral support would war-The system fias also more by accident than by design. The most interesting ceeded in entering the regional

at Matiock.

Martyn Barnes

entered the Bundestag at the same time as the Liberals went Alternatively, both the FDP and the NPD might have failed to be represented. Either there would almost certainly have been no Chan-

Not many months ago, there was a period when it looked as if the election of 1980 could be just as tantalising. First of all, there was the rise of the Greens or the Ecology Party. The Greens won just over 5 per cent of the vote in state elec-tions in Bremen and Baden-Wurttemberg and thus suc-

tenary banquet of Institute of

elections to enter the Bundes-

tag.
Then in May this year the Free Democrats failed to be returned to the regional Par-liament in North Rhine-Westphalia, West Germany's most populous state and often re-garded as a political barometer for the country as a whole. Admittedly the failure was by a very small margin — some 1,700 votes — but people did wonder for a while whether the Free Democrats might also go

have quadrupled their efforts. It is all back to normal even before the elections have taken place. The FDP is seeking to take second votes from CDU supporters who do not like the idea of their candidate for Chancellor being the right-wing Bavarian, Herr Franz Josef Strauss. The Free Democrats are also counting on there being a distinction between those who want Herr Schmidt to continue as Chancellor and those (poscame quite close to surviving it. sibly including Herr Schmidt Had the results been only himself) who do not wish to see very slightly different the him saddled with an absolute extreme Right might have SPD majority.

The political talk has thus

turned to what happens once the elections are out of the way. Herr Hans-Dietrich Genscher. the FDP leader, Vice-Chancellor and Foreign Minister, is insisting not only on his party retaining the same portfolios, but the same Ministers. Some of his claims may sound a bit rhetorical. For instance, he describes Graf Lambsdorff, the Economics Minister, as the "Ludwig Erhard of the 1980s," and the relatively unknown Herr Gerhart Baum, the Minister of the Interior, as the 'liberal conscience of the

parliaments. That raised the may be pretentious, but one would demand agriculture and prospect of their doing should not underestimate Free seek to push through the sufficiently well in the federal Democrat power.

Most interesting from the European point of view is Herr Genscher's insistence that Herr Josef Ertl should continue as Minister of Agriculture and is ready to do so. Herr Ertl has been at his post since the present coalition was formed in 1969 and has not been exactly an advocate of the reform of the Common Agricultural Policy. But unless Chancellor Schmidt asserts himself, the Ertl-Bavarian influence could still be in play.

Since then the Greens have faded and the Free Democrats have quadrinled their afficient folios look like being minimal. There is speculation about There is speculation about splitting the Ministry of Transport, Posts and Telecommunications, but we can let that pass. The man who could, and perhaps should, be at the

Herr Schmidt's

successor

centre of any reshuffle is Herr Hans Apel, once and sometimes still thought of as Herr Schmidt's designated successer. Herr Apel used to be Minister of Finance, but was persuaded the Chancellor to move to defence on the grounds that he needed all-round experience of the things that matter. Herr Schmidt occupied both pert-folios before becoming leader. Both men come from Hamburg. It is the view of some NATO Defence Ministers and senior officials that Herr Apel is not a great success at the job; nor does he appear to be pardoes he appear to be par-ticularly interested in it. Yet he cannot go to the Foreign Ministry because it is held by Government." Both descriptions the FDP. If he were bold, he

A more likely change is that Herr Apel could become chair-

man of the parliamentary party, which is a position of some power. That would depend on Herr Herbert Wehner, the present and t sent occupant and one of the very few survivors of the origi-nal Bundestag in 1949, being ready to give way. If Herr Wehner goes and Herr Apel replaces him, the most probable successor at defence is Herr Hans-Jochen Vogel, currently Minister of Justice and whis-pered by insiders to be the next SPD leader, should Chancellor Schmidt ever depart.

That is the state of play at

forget that politics is full of surprises and it could change. The very peculiar German system is working well and is being successfully used by a conservative Chancellor. Yet there could come a time when the system could breed not stability but

Coalitions based on the FDP tend to reflect middle class views and prejudices; they do not easily allow for a wider play of ideas. There might at times be a case for an overall majority of either Left or

Right.
There are two other items to record. One is that Prof. Karl Schiller, the former SPD Economics Minister and archeconomy, has rejoined the party on the grounds that its economic policies are no longer aberrant the faintest murmurings in the background of the need to return to a grand coalition between the progressive forces of the SPD and of the Christian Democrats. The power of the FDP is again being resented.

Malcolm Rutherford

Letters to the Editor

Neo-Keynesian alarums From the Deputy Director.

National Institute of Economic and Social Research cial Times, have not, in recent taxes, it must have been advised years, had much opportunity to that this change would make self. They are constantly sur-

consider neo-Keynesian views little difference to the price about the British economic trend, since the money supply situation. Perhaps now is the time for those concerned with the British economy to reconsider whether the neo-Key-have done what they did. The nesians might not be right after neo-Keynesian view was that The monetarist view, on which present policy is based, considers that the Government's central duty is to bring down the rate of increase in the

money supply; after 18 months A third divisive issue contheir true worth at last. Irritation two years the rate of inflation cerns the future trend of output ing every-day problems are will then come down. Because and employment. The Governdrawn into better perspective

elusive concept; that the a powerful deterrent to invest-attempt to control any partiment. As an academic, I might cular number is likely to lead to erratic policies, and possibly be conducted; as a citizen, I hope to erratic policies, and possibly to very high interest rates; and it will not that the policy is essentially a rather inefficient mode of defiadoes work, by creating unemployment and so moderating money wage settlements, and in no other significant way. The disadvantage is that the cost in lost output and unemployment may be very high and may go on for a long time; and that there is no guarantee that money settlements will be permanently more moderate. When the Government eventually has to do something to stop the rise in unemployment and start to bring it down again, money wage settlements may just go up again. That is why neo-Reynesians are interested in other less costly and more per-manent ways of moderating the

Not so cheap nannies

increase in money wages.

From Mrs. E. M. Baxter Sir_Being the owner of a large domestic employment agency. I read Mrs. Shepherd's letter (September 16) with some surprise. The current wage for a qualified and experienced name in a private household is in the region of £40 per week. Many employers pay "clear" ie in addition to the money handed to the girl they also pay her tax and National Insurance. This means the true wage would be in the region of £50 per week and in addition to this fire girl has attendant advant-ages such as holidays abroad with the family, living accommodation of a high standard, no travel costs to work plus perks" such as the use of a er or a horse to ride. To obtain the same standard of living, a girl doing office work would have to command a salary of £80-£100 per week. As we are currently placing 16-year-old school-leavers in

Consider another issue. When the Government, shortly after taking office made a major Sir.-Readers of the Finan-switch from direct to indirect controlled prices. They must have believed this to be so; otherwise they would hardly have done what they did. The past price changes are very strong influences on wage demands, and so on prices, and that this switch would push up the rate of inflation. Which view was right?

of the beneficient effects of ment's reaction to our present and a happy atmosphere often rational expectations" and calamitous situation appears to results. Employment outside the law of one price." the cost be to attempt to reduce the pubthe home is the best prescripin lost output and higher un- lic sector borrowing require- tion of all for depression in employment will be small and ment further. They argue that middle-aged women. temporary. Many monetarists this will bring down interest M. J. Goodchild argued that monetary policy rates, and so the economy will should follow an automatic right itself. The neo-Keynesian rule, by which interest rates view is that, in a depression, the were raised whenever the in- public sector borrowing requirecrease in the money supply ment increases because revenue exceeded a certain target figure. rises more slowly and social (They should, of course, now be security payments go up faster; demanding that the minimum if then the Government tries to lending rate be put up; their reduce the borrowing require-silence on this point is puzzl-ment, the attempt will be signifiing.) cantly self-defeating, and the The neo-Keynesian view is further depressing effects on that "the money supply" is an output and employment will be

Many of those doubtful about current policies continue to suption. It works, in so far as it port them because they feel it does work, by creating unem-would be a great pity to go through this distress and get nothing out of it. As Macbeth said: "I am in blood stepp'd in so far that, should I wade no more, returning were as tedious as go o'er." It may be that we are suffering this distress, and incurring significant permanent damage to our industrial baseand, what is more important, permanent damage to human beings too—for a small and temporary abatement of inflation which will last only so long as unemployment is rising. Macbeth went on to the end; all he got was his own death. F. T. Blackaby.

2, Dean Trench Street, Smith Square, SW1.

downgrading herself to this extent though her experiences are very much a reflection of the modern NNEB training which no longer produces a nannie. The course is intended to train nursery nurses and as non-residential and offering very little practical experience has become unpopular with private employers. Many girls are taking this course without checking on the local openings for nursery nursing which they could fill when trained and are ignorant of the fact that the trained NNEB has a lot to learn before she can become a nannie. The NNEB training courses

are organised in many parts of the country and give rise to tremendous wastage of hope as well as effort. This is a subject which warrants much more investigation.

E. M. Baxter. Baxter's Agency. P.O. Box 12. Peterborough.

Working

drughter is very unwise at working wives is closed I feel offset against any income Tunbridge Wells.

that the social benefit of em- received, not just earned ployment to wives and mothers income. A married woman is should be noted. should be noted.

Both professionally and as a working mother myself I am always amuzed at the low esteem in which a housewife holds herwards wor kwhich they exercise daily at home is much appreciated when applied in the commercial world. Their selfrespect receives a much-needed boost which is further increased often by the chang ein attitude towards them by their families. Their obvious value in the employment market seems to open their families' eyes to their true worth at last. Irritat-

Goodchild's Employment The Broadway, Crawley, Sussex.

Fares war in the air

From the Managing Director, Oceanair Travel Sir, - As a travel agent

specialising in servicing the requirements of the business traveller, I feel I should point out the danger of a major fares war among the world's scheduled

Whilst these new low fares From Mr. Dan Neuteboom and may benefit the holiday traveller Mrs. Margaret Charrington in the short term, the inevitable result as the airlines lose even more money than at present will be a cutback in services and schedules essential to the

Whilst I do not deny that there should be a more equitable fare designed to provide the trade structure, it must be remem- and therefore the public, with bered that the businessman will always have to pay more if he wants the convenience and flexibility of a choice of flights; the ability to cancel, change or no-show without penalty; the ability to switch routes and no-show without penalty; the quality of the English apples on ability to switch routes and sale. Where apples are found carriers; the interchangeability to be too small, unripe or interchangeability to be too small, unripe or of international air tickets, and marked, the fact is drawn to many other benefits which are the attention of the grower who often taken for granted.

It must be remembered that there is no more similarity alternative that his name will between a cheap charter and a be listed and published as a scheduled flight than there is backslider. We cannot get between a package tour to round every stall or every Majorca and a complicated greengrocer but this sanction is business trip to the Middle East; proving effective. they are totally different products and must be priced accordingly. Colin P. Boyce.

Tax and marriage

From Ms. V. R. Housden Sir,-There has been much

correspondence in your columns recently concerning the alleged "tax anomaly" of the Wife's Earned Income Relief. I must admit that I fail to see how a provision of real discrimination against married women can be an anomalous and unfair tax advantage. A single man. a 16-year-old school-leavers in From Mrs. M. J. Goodchild man are each entitled to a per-obviously. Mrs. Sheppard's Sir,—Before the subject of sonal allowance which may be

she actually earns. She is not entitled to relief against any investment income she may

The situation would be much prised to find that a practicle improved if the married man's and conscientious attitude to- allowance in its present form were abolished and everybody regardless of sex and marital status were entitled to a full personal allowance in line with the present single person's allowance which could be offset against any income. If both partners to a marriage

work, then each would have his/ her own allowances as happens at present with unmarried working couples. However, if one partner elects to remain at home, the working partner should be entitled to that part of the non-working spouse's personal allowance not used unearned income. In most families this would mean the husband would have two full personal allowances. To abolish the Wife's Earned

Income Relief without revising and reforming the whole system create a more just and equitable situation, would simply be yet another example of the mockery present tax laws make of mar-

V. R. Housden, 55, Chapel Wood, New Ash Green, Kent.

Popular apples

Sir,-The English apple industry is doing a great deal

about the presentation and marketing of our product. Next month we are, for the first time, producing a common super brand of "Kingdom" Cox consistent high quality product.

Meanwhile our inspectors are visiting wholesalers retailers daily to check on the is invited to withdraw them from the market with the

We do not say that people should eat apples because they are English: we say that they will want to eat English apples Colin P. Boyce.

Oceanair House,
133-137 Whitechapel High Street,
E1.

because they taste better. This ing numbers. The latest market information is that English apples are in greater demand, compared with their principal bland and tasteless competitor, than ever before.

We have been off our back-sides for a long time. It would be nice if some of our critics would get off our backs and give us the support which the apple industry is going to need to survive in the next decade. Dan Neuteboom,

Chairman, Top Fruit Committee,

National Farmers' Union, Margaret Charrington, Apple and Pear Development Council, Union House. The Pantiles,

GENERAL **Today's Events** UK: Sir Keith Joseph. Industry Secretary, addresses con-National Association of Ambu- meeting, Bordeaux. ference on provision and use of information, Sheffield. Mr. William Whitelaw, Home

lance Officers conference and exhibition opens. Harrogate

Secretary, speaks at conference on crime and the community, Lancaster University. Final day of British Pharma-Mr. Roy Hattersley, Opposition ceutical conference, Newcastle. environment spokesman, speaks Scottish Prison Officers Asso- COMPANY MEETINGS

ciation conference continues, Falkirk. British Medical Association publishes report on computing in doctors' surgeries.
Sir Peter Gadsden, Lord
Mayor of London, attends cen-Chartered Accountants in Eng-land and Wales, Guildhall.

International Monetary Fund votes on admission of Pales-British Rail announces details tinian Liberation Organisation as observer, Washington.
Last day of European Parlia-

Comfort Hotels International, cistion conference continues, Falkirk.

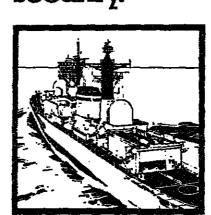
National Union of Journalists meeting to discuss London weekly newspapers strike.

Overseas: Mrs. Margaret Thatcher meets President Valery Giscard d'Estaing, before fifth annual Franco-British Council

Engineers Way, Wembley, Middlesex, 12. Unitech, Great Eastern Hotel, Liverpool Street, COMPANY RESULTS

Final dividends: Goodman dividends: Breedon and Cloud Hill Lime Works. Desoutter Brothers (Holdings). European Laporte ln Liberty. Industries | (Holdings).

The backbone Technology Hydraulics for Boeing security.



Cammell Laird

H.M.S. Ark Royal, the largest aircraft carrier to see service in the Royal Navy and H.M.S. Renown, a nuclear powered submarine are just two of the outstanding naval vessels commissioned from Cammell Laird in over 150 years of shipbuilding. Latest in a long line of warship and merchant vessel construction is a type 42 destroyeт, H.M.S. Liverpool, the third of the class to be built by the yard. The revolutionary extrusion construction process, developed in the U.K. by Cammell Laird, and the highly skilled local workforce has put the vessel some

12 months ahead of schedule.

the world.



Pilkington Group

Evolved from a small family business established in 1826, the Pilkington Group is now the world leader in glass technology due in main to their development of the 'Float glass' production technique which is now licenced to 30 manufacturers in 18 countries throughout the world. Overseas earnings in 1979 totalled almost £285 million making the company one of the U.K.'s major foreign currency earners. Sir Alistair Pilkington F.R.S., Chairman, says "The people of St. Helens and district have a long tradition of work involving shifts and arduous conditions...We find our labour force keen and hard-working."



A.P. Precision Hydraulics

A World leader in their field, A.P. Precision Hydraulics specialise in the development of hydraulic systems for military and civil aviation, maxine markets and various industrial applications. Speaking from the Liverpool design and production facility, Mr W. Brewer, General Manager, says "We are proud of our growth and the stable industrial relationship that exists... I believe that the local labour has the skill and expertise to continue to generate more business

All well produced on

Tithebern Street, Liverpool. Telephone 051-227 5234. Merseyside's London Other: 5 Charusty Lane, London WG2A 11H, Tel: 01-050488	Merseyside County Council
To Jack Stopforth MERCEDO Merseysitie County Economic Development Office). Tithebarn House,	Address
of the many successful companies now producing the goods on 'Merseypride'	Position Company
Please send me the full facts on Merseyside including details of the many successful companies	Name

Distillers

torecasts:

reduction

this year

the Distillers Company would match those of 1979-80

demand, he warned.

Robin Cater, the chairman,

the annual meeting. Profits illigitime were likely to softer from heavy destocking by overses distributors and a fall in home

For the year ended March 31

1980, pre-tax profits reaches £193.9m (£180.1m) on turnover

of £1.01bn (£0.94bn).
In the four months to Jac

grou pexport sales had dropped by slightly more than the into per cent fall experienced by the

Scotch whisky industry as a whole, although this was partly a reflection of higher than average sales in the same partial

August figures for DCL were only marginally down on 1979, indicating that the worst of the

had been weathered but it would certainly take longer than the end of the financial years

persuade overseas distributors in

rebuild their stock levels -

this summer.
Mr. Cater added that in the home market sales had been dis-

toried by the large volume of clearances of spirite from bonds.

ahead of the Budget in March and of the trade price increases. But there was ample evidence

IN THE current year, results in

UDS plunges £8m in first GKN drops to £22m midway half but holds interim

FIRST-HALF taxable profits of UDS Group, retail shop, mail order and department store operator, have plunged from £10.04m to £2.05m — but the board does not regard the results as at all indicative of the group's strength and prospects and has decided to hold the interim dividend at 2.6p. Last year's final was 3.61p.

The directors say it is too early to forecast the full year's results, which are heavily dependent on final-quarter sales. but they do not expect to reach the £24.12m pre-tax profit achieved in the last full year. Turnover in the six months to

August 2, 1980 rose from of £198,000 from deferred profits large cash realisation available and debt contingencies, com- for more profitable use. pared with £15.54m after a John Blundell and th £357,000 transfer to such con-

after depreciation and amortisa-tion of £3.41m (£2.48m) and Almost £3m of the fall interest of £3.32m (£3.01m). Earnings, after tax of £0.82m (£4.02m) are down at £1.23m credits of £0.79m (£0.45m).

Mail order subsidiary John Myers sustained a loss of over £3m in the first half and the group has agreed to sell the agency debts of this business as at January 5, 1981 to a larger

In the light of revised projections and changed conditions, say short of last year's profits. the further investment of large funds which would now be required for John Myers' profit-

The Lex column dwells on the gloomy news being revealed by the corporate sector. Yesterday's biggest shock came from GKN which has cut its dividend and is not earning any profits at all in the UK although many of its overseas operations are still performing quite well. Another sharp setback was also suffered by stores group UDS and although the dividend is maintained the outlook is far from clear. Rowntree Mackintosh's profits are down by more than 50 per cent in the first half and the group expects to see a highly competitive market out margins under pressure for the rest of the year. Perhaps slightly less disappointing figures came from Delta Metal where profits are only marginally down but current demand is low and the outlook remains poor. Lex also briefly looks at the details of the money supply statistics issued yesterday by the Bank of England.

companies in the mail order stores' results, although lower, division achieved profits of over The pre-tax surplus is struck £2m, they add, as cash collec- sector, they add. Almost £3m of the fall in

group profits is accounted for by exceptionally depressed sales of men's and women's clothing. (£6.03m), or 0.6p (3.6p) per The menswear business made a share. There are extraordinary trading loss and Richard Shops Of the other chains in the multiple shops division. Van Allan, acquired in September last year, broke even against a loss of £1.2m for the comparable period under its previous ownerpanies increased sales but fell

> There were losses of £228,000 relating to the closed furniture

Sales throughout the depart-

£195.64m to £206.34m, excluding able growth. They anticipate ment stores side were un-VAT, an increase of 11 per cent. some further losses and non-exciting, state the directors. At the operating level, profits recurring terminal costs prior to William Whiteley's was particu-William Whiteley's was particufell to £8.78m after a transfer closure but there will remain a larly affected by the fall in demand and Allders of Chatham, in its first full year's trading, is John Blundell and the other not yet profitable. The remaining

compare favourably with their

Duty-free operations made progress desnite lower passenger levels at UK airports and the strength of sterling. Trading began in May at Heathrow Terminal 2 and is already contributing to this division's profits. Associate results include for the first time the 40 ner cent share in the duty-free shops at Rio de Janeiro international airport. The directors say beavy losses but trading has now reached a satisfactory level.

They are confident that the group will make good progress as soon as general conditions

Lex. Back Page

AS EXPECTED results of the the second six months.

Guest, Keen and Nettlefolds The interim divident steel group for the first half of this year have fallen substantially short of the same period last year-profits are down from £53.5m to £22.4m before tax of £20.2m against £21.6m.

Profits are struck after interest payable of (£14.8m), depreciation of £24.3m (£22.1m) and a further £13.6m against £11.5m charge for inflation depreciation.

With the greater part of at least £9m redundancy costs and some £20m termination costs falling in the second half, the directors say group results in that period will be significantly lower than the first six months. Overall, the group's UK operations made no contribution to first half profits, the directors attributable to overseas activities and the results of these should

The interim dividend is being

cut by 31 per cent from 5.8392p to 4p and the level of the year's dividend will depend on the board's assessment of the year's results and prospects in March 1981. Dividends last year totalled 19.3937p when pre-tax profits were £101.4m

After tax and minorities of £2.7m (same), an attributable loss of £0.5m was incurred in the first half against profits of £29.2m. Stated earnings are nil (18.5p) but 7.8p (26.3p) before the additional charge for inflation depreciation.

Since April, demand has failed to recover to anything like the 1979 level, with many of the group's customers themselves experiencing acute trading

General steels, special steels and forgings, and automotive components have all been markets, and world economic conditions and the continued the directors say. strength of the pound caused reductions in sales and margins

in export markets. and distribution activities.

The European automotive component operations again per-course of 1980.

formed well. The \$100m investment programme in transmission U.S., which in 1980 is incurring substantial pre-production costs and interest charges at budgeted to plan and initial production has

In the second half year there has been a further sharp deterioration in UK trading conditions, and many plants are now working at much reduced levels of output. The decline appears

severely affected in their home the end of the year and probably well into the first half of 1981,

In these adverse circumstances it is necessary to concentrate increasingly on the improvement Destocking by United Kingdom or elimination of unprofitable customers also had a severe activities in the United Kingdom. impact on both manufacturing with a consequent reduction in numbers employed likely to be of the order of 10,000 in the

_	1260 L
' "	irst hall First
	Em 1
Turnover	1,967.7 1,0
rading surplus	78.9
epreciation	24.3
eaving	52.6
Add depreciation	13.6
nyest, income	
& interest receiv.	. 1.8
nterest payable	22.0
lssoc, profits	3.6
rofit before tax	22.4 20.2
stimated tex	+
Ainorities	27
rtributable losa	0.5 ` \$
* Excluding intra-gro	up. † Additi
or inflation. + Profit.	_ :

Lex. Back Page

Kitchen Queen still in difficulties

THE UNHAPPY saga of Kitchen the formal document on the company to restore it to profit ratios of assets to liabilities must Queen continued yesterday with retail spisidiaries sale to Man ability.

The UNHAPPY saga of Kitchen the formal document on the company to restore it to profit ratios of assets to liabilities must not deteriorate by more than 10 troubled furniture group which is being heavily supported by its

Having already announced overall losses of £8m—including closure and disposal costs—for the six months to February 29, it said a further £1.5m would have to be provided for losses by the retailing subsidiaries which have since been sold.

Shareholders, who saw the price of their shares slide 4p yesterday to 9p, were also hold by chairman Mr. Leonard Morris that the board felt justified in continuing to trade, though there would be no dividends for

some considerable time." The tattered state of Kitchen

which Mr. John Bentley has

become chief executive, is pro-

of a rights issue and a further f1.5m by way of a placing of

John Baker agreed last July

to acquire Intervision Video.

said to be a leading company in

the pre-recorded video-tape busi-

ness, for £1.35m in cash and shares. At an EGM next Monday shareholders will be

asked to approve resolution to restructure and enlarge the capital, permit completion of the

Intervision agreement and

change the name of the group

to Intervision Video (Holdings). The group proposes to divide the authorised \$15,000 £1 pre-

crease authorised capital from

£850.000 to £3.05m and create 12.17m additional preferred ordinary shares and 983,000 con-

Also, Rowe Rudd is seeking to place 5m preferred ordinally

shares at 15p a share and 750,000

7 per cent convertible redeem-

able cumulative preference shares of £1 each at £1 per share.

GARTON LOWER

Pre-tax profits of Garton Engineering dropped by over 20 per cent in the first half of 1980,

from £430,000 to £341,000. Turn-

over during the period was virtually static at £6.58m, against

Mr. A. B. Garton, the chair-

man says the results for the six

months should be considered

against the background of the

steel strike and the disruption it caused to volume steel users.

warns. "Indications are that we

may not yet have experienced the worst of the recession," he

With difficult trading condi-

tions expected to continue, the company has had to reduce over-heads and manning levels while

still preserving its skilled work-

tures precision components and fasteners is maintaining the interim dividend at 3.15p net.

was struck before extra-credits of £330,000 (£430,000).

Aust. and Intl. Tst. 3 William Bairdint. 5.6 Boddington's Brewerles

int. 1.4 Booker McConnell .int. 1.25

Brown Boveri Kent int. Nil

Corinthian Hidgs. ...int. 0.75

Croda lotal.int. 1.5

Delta Metalint. 1.82

Garton Engineering int. 3.15

Harold Perry Mirs. int. 1.5 L'pool Daily Post int. 3.46

Lon. & Prov. Tst. int. 2 Thos. Marshallint. 1:2 Rowntree Mackintosh

Scot. European Inv. int. 0.4

Second City Props. 1.6 Steetley int. 4

recurring payment of 0.4p.

G.T. Japan Inv.

Lon. & Holyrood Tst.

GKN

Chas. Barly, Marriott int. 0,32

DIVIDENDS ANNOUNCED

payment paymert

Date of

Dec. 3

Nov. 28

Nov. 12

Nov. 1

Oct. 31

Nov. 1

Jan. 5

Dec. 15

Oct. 10

Nov. 8

UDS Groupint. 2.6 Feb. 24 2.6 — 6.21

James Wilkesint. 1.5 — 1.5 — 4.13

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes non-

The company, which insuufac-

force intact.

There seems little likelihood

vertible shares.

chester businessman Mr. Stephen Boler in June, the extent of bank help, and the capitalisation of loan stock held by key directors.

The net effect of the extra £1.5m provision would be to raise the deficit on net tangible assets from £1.93m to £3.43m. Instead of a surplus on share-holders' funds of £320,000 (including goodwill of £2.25m), there would be a £1.18m deficit after the capitalisation.

Kitchen Queen is concentrating most of its efforts on Moben of at least £2m in the financial Home Improvements, having sold year to August 31, 1981. the retail assets whose acquisi-tion caused most of its problems. Interest paid by the company must also not exceed 50 per cent It is also slimming down the Di

We've really got down to the bare bones." said Mr. Morris who joined Kitchen Queen through Moben which he started with Mr.

Jim Bentham, also on the com-pany's Board. "For the next pany's Board. the banks." The banks have agreed to out up £5m in medium-term loans and £2.5m of current account facilities to replace overdrafts of

over £6m. But they are insisting on the loan stock capitalisation and on the achievement by Kitchen Queen of pre-tax profits

of the profits, while net assets,

not deteriorate by more than 10 per cent. The company intends to in-

The company intends to increase its borrowing powers to chairman said.

Although in some markets sales of DCL brands of whiley banks will also have to approve and gin were holding the dividend payments, and capital reasonably well, others were less thanks one example happens. spending will have to be kept buoyant, one example being within certain limits.

Japan where sales had been poor

Capitalisation of the flm of loan stock, part of the price paid Moben, will give Mr. Morris, Mr. Bentham, other directors and family just over 40 per cent of the shares. The Takeover Panel has said it will not insist on a full bid being made. An EGM to approve the issue of shares in exchange for the loan stock will

that consumer demand was depressed. The poor economic situation in the UK had also affected the company's interests outside the drinks trade and in particular the associated firm, United Glass. which makes bottles, was now certain to have a singularidisappointing, year.

Maruet and Southernsfor the first five months of the current year were up 6 per sent compared with last time, but this was due to increased values and reflected a downturn in volume Profits for the same period showed a small decrease but judged against the prese serious recession, represented

very good performance. .Polymark International—If the exchange rate had not attended much by December 31, 1980-24 was anticipated that profit this year would not be up to previous expectations, but in present economic circumstances the result should be satisfactory

Ward and Goldstone In veite terms, sales since the end of March were better than these of the previous year, while exports were 29 per cent up on last year Productivity had improved immeasurably in the past the months, and better results for the current year were forecast

GI Rowntree Mackintosh 🕏 Changes at J. Baker (Insulation) Interim Report for the 24 weeks to 14 June, 1980

	Interim	Full Year	
Turnover	1980 1000 264,300	1979 £000 249,000	1979 £000 601,321
Trading profit before depreciation Depreciation	17,585 6,671	17,629 5,503	57,613 11,044
Trading profit Interest less investment income Share of associated companies' profits	10,914 6,616	12,126 2,820	46,569 8,552 2,415
Profit before taxation.	4,298 850		40,432 6,553
Profit after taxation Minority Interests	3,448 330	8,176 400	33,879 1,590
Profit attributable to Rowntree Mackintosh Limited before extraordinary items	3,118	7,776	32,289
Earnings per Ordinary Share	2.8p	7.2p	29.8p
es .			

- 1. The unsudited interim figures above should be read in conjunction with the Chairman's
- Sales and profits of overseas subsidiary companies have been translated into sterling at the respective half year and year end exchange rates.
- 3. No share of the profits of associated companies has been included in these interim results. An appropriate proportion of the full year results will be included in the annual
- 4. Extraordinary items will arise in the year consisting principally of adjustments on translation of overseas net assets into sterling; at 14 June 1980 these items would have amounted to a total debit of £1.3m.

Chairman's Statement

Dividend

The Board has declared an interim dividend of 2.5p per share, (1979 2.5p per share). This will absorb £2,703,000 and will be payable on 5 January 1981 to Ordinary Shareholders registered at the close of business on 5 December 1980.

Trading conditions

Trading conditions in the first half year have been difficult. We have, however, maintained our commitment to the development of the business at home and overseas, and our sales and consumer loyalty to our brands are standing up well to the effects of the worldwide recession.

Trading profits before depreciation were held at last year's level but pre-tax profits were reduced by higher depreciation and substantially increased interest charges. These costs have a disproportionately large effect on first half profits.

Sales

Compared with the first half of 1979, Group sales turnover increased by 6%; sales volume was some 4% lower.

Total non U.K. sales volume contributed by our European, Overseas and Export Divisions, was the same as in the previous year.

Our U.K. confectionery sales volume was down by 6% against a fall in total U.K. industry volume of 9%. The substantial increase in V.A.T. in July 1979 is a major reason for the drop in sales volume; there has also been significant trade destocking which no doubt reflected this factor, high interest rates and views about the effects of the recession on consumer spending.

Market shares

Generally, our market shares continue to increase in all our major markets in the face of severe competition. Exports, given the difficult conditions, contributed a particularly good performance and increased our share of total U.K. confectionery exports to a new record.

Margins

Trading margins are lower than in recent years. This reflects both the highly competitive situation in the market place and the high sterling exchange rate. These factors particularly affected the results of our European operations.

As I told shareholders in the last annual report, we have maintained our substantial investment in fixed assets; by the end of 1980 we shall have spent some £130m in the previous three years. In the short term, the effect on earnings of this development expenditure is reflected in higher depreciation and interest charges.

Outlook

It is not possible to make a meaningful forecast of the results of the full year. These will depend importantly on patterns of consumer spending and retailer confidence, which are not yet clear. Movements in interest and currency rates will also have an effect on earnings. We expect that in the competitive situation which has developed, trading margins will continue to be under some pressure for the remainder of this year.

We are confident, however, that the expenditure on productivity and increased capacity is fully justified by planned market developments, by the strength of our brands, and by the potential for profitable volume growth in less unfavourable economic conditions.

Donald Barron, Chairman

KIT KAT - QUALITY STREET · SMARTIES · POLD · ELACK MAGIC · GOOD NEWS · FOX'S GLACIER MINTS ROWNTREE'S PASTILLES • AFTER EACHT • WEEK-END • AGRO • BOLG • DAIRY BOX • TOFFO • EJATCHMAKERS JELLYTOTS - WALNUT WHIPS - LION BAR - CAEANA - YORKIE - BLUE RIBARD - BREAKAWAY - MONTEGO CREAMBLA - PAR YAK PICKLES - TARKE JELLIES - STIR-PAT PEAMUT BUTTER - CHEDDAR SPREAD

William Baird up £189,000 PRE-TAX profits of William costs rose by £15,000 to £205,000. Baird and Company, textile After tax up from £1.08m to manufacturer and industrial £1.42m, attributable profit is

PRE-TAX profits of William costs rose by £15,000 to £205,000. From Baird's success in increase manufacturer and industrial holding and investment company, rose by £189,000 to £3.5m dividend is raised from 5.25p after apportioning the interest in the half-year to June 30, 1980. Turnover was up from £58.54m to recommend a final dividend to £63.87m. Titled the holding of not less than last year's 7p. up, thanks in part to the close

Mr. S. A. Field, the chairman, says in the first quarter there were distortions due to the steel strike and these tended to mask some of the underlying economic trends. During the second quarter the severity of the recession has become more

As of now, he says, there is little sign of any let-up, "although it is reasonable to expect that towards the year-end there will be some easing of the high level of interest rates, which has been a major factor in the depression of consumer demand. Interest payable in the first six 9 Comment

The operating profit improved this total Baird Textile Holdings

contributed £2.95m (£2.41m). The profit also includes £233,000 from Wilfred Verber, acquired in July, 1979. Mr. Field says trading con-ditions have been difficult, leading to larger than normal stock-

holding for customers. Since the end of June some easing of this situation has taken place, but pressures are likely to remain relatively severe during the remainder of the year.

ferred ordinary mares and months increased from £848,000 The advantages of avoiding view of the final dividend, the the 35,000 £1 deferred shares into to £1.06m. Central administration fabric manufacture are apparent yield is 10.7 per cent

connection with Marks and Spencer. Even excluding the Verber acquisition, volume has been maintained. The group's cash surplus has now been provement must be based more on the reduction in stocks and interest rates than on higher trading profits. Baird con-sistently turns over stock between four and five times a year, but it may struggle to match that performance this Profits could still total around ES m for the year which, suggests a fully-taxed p/e of 7. Taking Baird's own cautious

Hestair improves by £0.4m

Existing shareholders would be offered 20 new preferred ordinary shares and three convertible shares for every 60 preferred ordinary of 10p held.

Also Rouge Budd is cooking. the industrial group, increased there was a surplus of £270,000, from £55,000 to £453,000 for the compared with losses of £149,000 lurnover of £29.13m, against £26.76m. In the last full year, the group achieved a turnround from losses of £341,000 to £493.000 profits.

> Mr. David Hargreaves, the chairman, says the half-year results represent a further modest step on the road to recovery and have been achieved against the most difficult economic environment within the board's experience.

Despite the difficulties arising from the general economic posi-tion in the UK, he says results would have been most encouraging had they not been clouded by the "extraordinary" further downturn in the farm equipment market worldwide.

As a result, losses of the farm There seems little likelihood equipment division increased of any recovery in demand in and its cost base is being further reduced Once complete, the board is confident that, even without any market improve-ment, there will be no further significant drain on resources.

Again no interim dividend is being recommended. Mr. Har-greaves explains that because of the difficulty in forecasting the full year's results, the board has felt it prudent to wait until the year end before determining the dividend level for the year. Last year's final was Ip net.

Last time a 3.5p final was paid from taxable profits of £836.000. and earnings per 25p per share were 2.5p (0.3p)

Corre- Total sponding for

0.32 5.84

1.45

After deducting extraordinary

12.25

*3.13

2.2 1.5 3.1

2.21

19.4

5.5

2.78

1.65 2.07 10.5

ket place and Christmas trading vehicle is rapidly picking up-levels for consumer products are market share. This is just as impossible to predict. Farm equipment is likely to remain weak but the vehicle division is set to continue its recovery.

9 comment

The recovery at Hestair has slowed to crawl, with interim profits virtually unchanged from the second half of last year. The group's dependence on its SOS bureaux is worrying given the sharp fall in the level of re-ported vacanies and consequent overcapacity in the job-agency market. SOS is Hestair's casi cow with virtually no debt and first-half profits close to twice

SPAIN		
	Price	
Sept. 18	74	+ or -
Banco Bilbao	241	-
Banco Central	275	
Banco Exterior	214	
Banco Hispano	234	-2
Banco Ind. Cal	120	-
Banco Madrid	141	
Banco Santander	275	
Banco Urquijo	140	-2
Banco Vizcaya	262	~~
Banco Zaragoza	241	+6
Dragados	119	+2
Espanola Zinc	72	+2
	64 5	
Gal. Preciados		-
Usi-sta		-2
Hidrola Iberduero		÷0.5
Parrolees	66.5	
Petroleos		-1
Patroliber		+2
Sodellas	107	
Telefonica		-1.7
Union Elect	70	

the profit of the whole group, but there should be some compensation from the vehicle division in the current period, On the future, Mr. Hargreaves with Dennis reaping the benefit says rising unemployment is of its double-decker bus orders. tightening the SOS Bureau mar. In addition, a new refuse equipment will probably not be advanced from £3.32m to £3.39m. stemmed until next year, while rowings are running at around the same level as last year and can be made. it will do well to double interim profits for the full year. On this house, the shares, at the interim dividend is maininterim figure.

Charles Early: drops in the red at halfway A pre-tax loss of £46,537 compared with a profit of f172,049 is reported by Charles Early and Marriott (Witney), manufacturer of Witney blankets and Warlord market share. This is just as floor covering, for the six months well since the losses on farm August 1, 1980. Turnover

Mr. N. S. Wooding, the chairthe prospects for consumer proman, says trade regains difficult ducts rest uneasily on the and is influenced by high interest. Christmas trade. Hestair's bor-rates and the strong pound. He

(75 m

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in in a second

30p. trade on a p/e of sround 10 rained at 0.315p net_last year's total was 2.2122p from pre-tax ordinary debit double the profits of £418,000. Dividends

M. J. H. Nightingale & Co. Limited

	8-80 Low	. Сотрапу	Price	Chence	Gross Div (p)	Yield '	PΑ
99	51	Arsprung	á	Oli Bill Ma			3.0
50	21	Armitage and Rhodes	Ž2		1.4		9,1,
172	921	Bardon Hill	172	_ :	9.7	5.8	6,5
100	74	County Cars 10.7% Pf.	74	`	15.3	20.7	
101	63	Deborah Drd	97		5.5	5.7	4.8
126	88	Frank Horsell	123	_	7.9	8.4	- 3.0
129	66	Frederick Parker	56		11.0	18.7	
156	84	George Blair	84		18.5	19.6	3,0
84	45	Jackson Group	82 .	; = :	6.0	7.3	
153	103	James Burrough	121		·7.3		
305	242	Robert Jankins	305	=	31.3	10.2	9.9
232	175	Torday	220	_	15.1		
34	10	I WINIOCK Urg. :	114	– 01.	19.1	6.9	. 3.7
90	70	Twinlock 15% ULS	. 84		15,0		
56	23	Unitock Holdings	45	· =	3.0	17.9. 5.6 _	· (20)
01	C ?	Walter Alexander	100	- 1	5.7		
45	136	W. S. Yeates	245		12,1	57 4.9	5.5

WARD&GOLDSTONE LTD.

RECORD CAPITAL EXPENDITURE EXCEEDS £4.2 MILLION YEAR TO 31st MARCH (£0003) (20002) **GROUP SALES** 62,554 TRADING PROFIT 5,395 PROFIT BEFORE TAX 2,608 3.001 PROFIT AFTER TAX 2,979 EARNINGS PER ORDINARY UNIT 19.69p DIVIDENDS PER ORDINARY UNIT-NET 4.9916p. NET ASSETS PER SHARE 171.8p A copy of the Report and Accounts for the year to 31st March 1980 can be obtained from

the Secretary, Ward & Goldstone Ltd., Salford M6 6AP.

Booker slides to £5.62m

DIFFICULTIES experienced in which was forced to close at engineering and the cost of mid-year through lack of orders, thanker by Mr. Michael H. Caine, recurring costs for closures and redundancing in the cost of the cost o plamed by Mr. Michael H. Caine, chairman of Booker McConnell, international food, engineering and trading company, for a mirror trading costs for closures and redundancies in other businesses.

Mr. Caine says that borrowings at the end of 1990 are expected to be about £20m higher than at the end of 1979.

He says there were also external factors — the steel atrike, the strength of sterling, restraint on Government speading and a recession in consumer greenditure—which resulted in pre-tar profits diving from \$10.39m to \$5.61m. Sales rose from £306.1m to £349.3m But, he adds, the second half will produce substantially more prinfit than in the first half. It would be unreasonable, however, to expect the shortfall to

....Attributable profits were £4.4m After tax down from £3.98m 30 £2.02m, stated earnings per 25p share are down from a reetated 423p to 1.88p, and the saterim dividend is effectively unchanged at 1.25p—last year's total was an adjusted 3.125p. Extraordinary items produced now looks to be turning from famine to at least a reasonable diet of work in supplying sugar Brothers Butchers, and on a sale/leaseback transaction, offset by the closure costs of J. and T. Lawrie and a deficit on conver-

division had a very poor year against £27m in the last balance and made only a token profit, sheet and the need for a high Profitability is now recovering level of retentions strongly sug-in most of the companies and gests the dividend (well covered in most of the companies and the out-turn for the second half should be much better.

gests the dividend (well covered last year by CCA earnings) will not be increased. The income

should be much better.

"The half-year results include support is no better than average at 8.6 per cent after a likeured by J. and T. Lawrie, 2p rise to 53p yesterday.

group, is acquiring the grocery and wholesaling businesses in England and Scotland of Gallaher, the tobacco, engineer-

mg and retailing concern.

Booker is paying between £7m

and £8m cash for Warriner and

Mason and Star Cash and Carry.

The companies operate 37 cash

and carry warehouses and two confectionery and tobacco

delivered warehouses in England

--- Gallaher's Northern Ireland

wholesale business of tobacco sales and Holmes cash and carry, and its English confectionery

ompany Rosor, are not included the agreement. Gallaher says

that it will retain its Northern

Treland businesses where it has

the geographical coverage required to achieve good results. Funds released from the sale

to Booker will be available to re-

inforce Gallaher's existing and future diversification programme.

wealer, for the six months to hine 30, 1980. Sales advanced slightly from £63.8m to £64.34m.

. The interim dividend is effectively unchanged at 1.5p

and Mr. J. F. Macgregor, the chairman, hopes that when

results for the full year are

known, the directors will recommend a final dividend to

match the adjusted 2p paid last

He says the profit target for

the second half, while taking into account the continuing

general recession, is not pessi-

mistic. The group remains pro-

costs by continuing its low bor-

tected from excessive interest

operated from

Booker's new acquisitions will

within its

has 104 cash and carry ware. Ireland). Existing members of houses. The new deal brings the the organisation include Booker

The DROP of £1.08m to £2.12m in cars at the beginning of this year at least kept volumes up, with David Perry Kotors, Ford main the result that in the first quarter

rowing requirements.

After tax down from £1.26m to £1.02m, stated earnings per to £1.02m, stated earnings per behind for August itself. For the full year, perhaps £3.5m to £4m profits were lower at £930.000 (£1.62m).

Comment

The market share battle in new

21 points ahead of 1979 in terms of market share for the first eight months, but 1½ points behind for August itself. For the full year, perhaps £3.5m to £4m pro-tax is in sight. The shares moved up 8p to 71p, where they would yield over 7 per cent assuming an adjusted maintained final, with a prospective fully-taxed p/e at the top of the range of 6.5.

total to 141. Booker Belmont Belmont and Oriel Foods.

H. Perry falls but

not pessimistic

and Scotland;

in £7m cash deal

Booker McConnell, the engin-gering and food distribution and that of the businesses acquired £125m.

The historical pre-tax profits are reduced to £1.43m on a CCA Sir Donald savs it is not

comment

Booker McConnell is looking to the food distribution business to claw back a useful proportion of the first-half shortfall but given the usual seasonal bias in the second six months, that need not mean overmuch in terms of real recovery short term. What is more important is that the group is confident of growth next year when the DEC acquisition will make its first contribution. The still-dominant engineering division must, however, stand a chance of a worthwhile revival. chance of a worluwnite revival. Fletcher Suicliffe Wild is pulling in orders at a record rate as, perhaps, it should given the level of demand for coal-face equipment. Fletcher and Stewart now looks to be turning from

refinery equipment. K and T.
IBEC and now the acquisition
of Gallaher's wholesale food
interests are designed to sibn of net assets overseas into broaden the base but the effect sterling. Reviewing the first six the least opportune moment. Net months, he says the engineering debt now stands at about £50m,

annual turnover is around £500m

tobacco delivered trade ware-houses will become part of Booker Belmont's wholesale

delivered trade businesses which

already operates two con-

fectionery and tobacco depots

and 42 depots servicing the

catering and retail grocery

Other members joining include

H. Perry's profits fell only 11

per cent behind the preceding

year's strong performance. But

the after-effects came home to

roost in the second quarter, when

pre-tax profits fell to £768,000.

Perry is fortunate in its low

gearing and diversification into

other motor-related businesses.

Despite a fall in hire profits, strength on servicing helped activities outside the new vehicle sales to chip in 57 per cent of

first-half profits this year, 10 per cent higher than in 1979. Perry

is the country's largest Ford main dealer and Ford remains

businesses

chairman, states that although prospects for the second six generally.

INCREASED interest charges of £6.62m, compared with £2.82m, But he is confident that the expenditure on productivity and and depreciation over fimhigher at £6.67m have bitten deeply into Rowntree Mackinincreased capacity is fully justi-fled by planned market developments, by the strength of the company's brands and by the potential for profitable volume growth in less unfavourable economic conditions. tosh's taxable profits which tumbled from £9.3m to £4.3m in

the first 24 weeks of 1980. The chairman, Sir Donald Sales of this manufacturer of chocolate and sugar confectionery tions in the first half were diffi-cult. But the company main-tained its commitment to the and grocery products stood up well to the effects of the worldwide recession in the 24 weeks and, compared with the first half of 1979, rose by 6 per cent from £249m to £264.3m. Sales volume, possible to make a meaningful forecast of the results for the

lower.

full year as these will depend importantly on patterns of con-Total non-UK sales volume conconfidence, which are not yet clear.

Interest and currency rates will also have an effect on earnargins will continue to be under some pressure for the remainder of this year owing to the competitive situation which

de-stocking which no doubt re-flected this factor, plus high in-terest rates and views about the effects of the recession on consumer spending.

a final of 4.75p was paid from reflected in higher d taxable profits down from 1978's and interest charges. F45.07m to £40.43m. No share of the pro

Attributable profit fell back sharply from £7.78m to £3.12m after minorities of £330,000. however, was some 4 per cent against FAO,000.

Generally, the company's market share continued to increase in all its major markets during the half year. Exports contributed a particularly good performance and increased the company's share of the total UK

confectionery exports to a new However, margins were lower

affected the results of the Euro-

After a tax charge down from pean operations.

1.13m to \$850,000 in the half year, stated earnings per 50p its investment in the end of 1980, in the end of 1980, open \$130m open. The company has maintained its investment in fixed assets. By the end of 1980, it will have spent some £130m over three years. In 2.5p. some £130m over three years. In the interim dividend, which absorbs a same-again £2.7m, is maintained at 2.5p net. Last year this development expenditure is a final of 4.75p was paid from redected in higher depreciation No share of the profits of asso-ciated companies has been

included in the interim figures. An appropriate proportion of the full-year results will be included in the annual accounts. Extraordinary items will arise

in the year, consisting principally of adjustments on translations of overseas net assets into sterling. At June 14, 1980, these items would have amounted to a total debit of

Croda profits down at mid-year

INCLUDING THE effects of a interim dividend is being kept proved despite a setback in the further cutback last month, f1.7m loss in the food in at 1.5p net—last year's total pay-gredients side, mainly ment was 3.1p on taxable profits attributable to continued poor of £14.74m. trading in gelatin and animal by-products, trading profits of Croda International, chemical process-ing group, fell by 25 per cent to £6.53m for the first half of 1980, compared with £8.73m last

sumer spending and retailer confidence, which are not yet

Reflecting the present high cost of borrowing, interest charge for the period jumped from £1.44m to £3.03m, which left pretax profits showing a reduction of some 50 per cent from £7.63m

first half, sales volume and In the UK, organic chemicals margins have been adversely and paints showed marked profit affected by current economic improvements while other parts

Earnings per 10p share for the half year were down at 2.71p (5.1p) basic and at 2.47p (4.6p) fully diluted.

Sir Frederick says that like most UK based chemical manufactured.

facturing companies, Croda has been severely affected by the steep rise in energy prices. Croda continues to press the case at national level for some alleviation of this situation and in its manufacturing plants considerable efforts are being made While the value of sales rose for saving in energy con-per cent to £138.68m in the sumption.

of the group reacted as might Sir Frederick Wood, the be expected to the effects of the steel strike and the recession enerally.

plant last April. These benefits of 13 per cent at 35p, up ip
Overseas activities also im- are now coming through and a yeslerday, seems safe enough.

U.S. inks market.

While exports increased in sterling terms by some 12 per cent, the strong pound is hitting Croda due to foreign producers entering home markets at prices which it cannot profitably match.

comment

Over and above the chemical industry's broad problems, Croda is still particularly troubled by its gelatin division. Small in overall turnover terms, gelatin was largely responsible for the £1.7m loss in the food products division but there may be a case for believing that these difficulties are coming to an end. Crods still says that the target of a return to gelatin break-even the fourth quarter can be achieved following the first just about covered on a current tranche of closures at the Widnes cost basis and an historic yield

involving another 120 redunshould consolidate dancies. Croda's position in the pharmaceutical and photographic markets as edible gelatin production is eliminated. Elsewhere, the second half should show some affected first six months and the group maintains that volumes need not be affected here even if BSC is forced to accept a limited role of a specialist producer. Paint moreover is growing quickly and may make some £3m against £2.5m and the organic chemicals division, powered by paracresol, is up by 5-10 per cent on 1979 recovery levels. The outlook is certainly dull but the interim dividend is apparently

Interest costs hit Rowntree Steetley down 9% in first half year but holds interim HIGH interest rates and financing

costs of the Gibbons Dudley and U.S., acquisitions have resulted in a 9 per cent drop in first half pre-tax profits of the Steetley Co. from £9.84m to £8.98m.

UK results were seriously depressed by the steel strike and its effects, costing some £4.5m in lost profits in the half year. Cost reduction programmes have been introduced to help offset the general downturn in trade. Stated earnings per share are down from 15.41p to 10.19p but the interim dividend is main-tained at 4p — last year's total was 10.5p from pre-tax profits of £23.51m.

During the period export sales of £21m were made compared with £13m in the corresponding half of 1979, although the strength of sterling inevitably narrowed margins. The performance of Gibbons Dudley has been in line with projections made at the time of the merger.

Overseas results were 24 per cent higher than in the same period last year with good improvements in the French minerals operations and in Australia. High costs continue to affect the joint magnesia opera-

The performance of U.S. expected level of profitability was not achieved.

Capital expenditure in the first half of 1980 amounted to £10.8m. mostly in the UK and U.S.

External sales 178,329 133,337
Trading surplus 18,658 15,674
Daprecistion 5,926 4,135
Interest payable 3,745 1,687
Surplus before tax 8,983 9,842 Attributable 5.652 7.075 tax of £219,992 (£155,447).

Dividends 2.217 1.773 Stated earnings per 50p share

Principal activities of the are 4.42p compared with 3.47p.

and processing, production of construction materials, refrac-tories and chemicals, plant engineering and the distribution of chemicals and industrial and electrical supplies. comment

Steetley's hopes for a substan-tial increase in profit this year faded as the effects of the steel strike proved more severe than expected. The rate of steel prohalf what the group forecast a year ago and dolomile and refractory sales have been hard hit. The construction materials operations have been dented by the recession although last autumn's acquisition. Gibbons Dudley, is said to be performing at least in line with projections. French. Canadian and Australian operations have been strong. The interest charge jumped 70 per cent from the second half of last year, mainly because of acquisitions, but borrowings are unlikely to be reduced from the 44 per cent of shareholders' funds at the last balance sheet. Steetley will be bard pushed to match last year's £23.5m profit and it might be prudent to extions in Sardinia which made a pect a little less, say £21m. The shares dropped 6p to 188p yes-terday but still trade at 10.6 acquisitions suffered from the times prospective earnings and recession in the economy and the yield, on a maintained final, a yield, on a maintained final, a little more than 8 per cent.

> AUSTRALIAN & INTL. TRUST

Gross revenue of Australian and International Trust improved from £401,180 to £534,774 in the year ended July 31, 1980. The net total dividend is being raised from 3.35p to 4p with a final of 3p.

Net revenue amounted to £265,035, against £208,045, after tax of £219,992 (£155,447).

The RioTinto-Zinc Corporation Limited

Report for the half-year ended 30 June 1980

Booker states that the new usinesses will fit well geographically into the group. Warriner's existing head office in Birmingham will be closed after The directors of The Rio Tinto-Zinc Corporation Limited announce that the unaudited net profit attributable to RTZ shareholders before a short period, probably involvextraordinary items for the first six months of ing 75 to 85 redundancies.
It was also announced yester-1980 was £89.7 million (35.57p per ordinary share), an increase of £38.1 million (11.13p per ordinary day that Warriner and Mason had share) over net profit for the corresponding period of 1979. The main areas contributing to the joined Distributive Marketing Services, the grocery organisaimprovement in net attributable profit were the tion and holding company of Group's copper operations, and Hamersley Iron and Rossing Uranium. The Group subsidiaries in Produce Importers (Alliance), whose labels include Mace, Maid Zimbabwe, which were not consolidated in 1979, Marian, Wavy Line and APT. made a small contribution to net attributable

profit for the first half of 1980. Booker Belmont wholesale cash Snowden and Bridge and and carry division which already Tobacco Sales (Northern Rights Issue of Convertible Unsecured Loan Stock

The directors have announced separately their intention to issue at par £126 million of 91 per cent convertible unsecured loan stock 1995/2000 by way of a rights offer to holders of RTZ ordinary and accumulating ordinary shares in the proportion of £1 nominal of convertible stock for every 2 shares held. Documents relating to the issue will be mailed to shareholders on 22

Summary

Sales revenue in the first six months of 1980 amounted to £1,453.0 million, an increase of approximately 24 per cent over the comparable period in 1979. The exchange rates for the pound sterling used to translate the sales of overseas subsidiaries were higher in most instances than a year ago and this restricted the extent of the improvement by around 4 per cent. The increase in sales was mainly due to generally higher average metal prices, particularly for copper and precious metals, although LME prices for lead were significantly lower than a year ago. Approximately one quarter of the increase in sales revenue was contributed by new subsidiaries and by subsidiaries which were not consolidated in the 1979 accounts. These included the companies accounted by CRA during the early part of 1980 and Group subsidiaries in Zimbabwe.

A major part of the improvement in metal prices occurred during the first three months of the year when market conditions were exceptionally buoyant. During February the LME price for copper reached a peak of £1.375 per tonne but by June it had fallen to £835 per tonne. The average copper price for the first half of 1980 was £1,029 per tonne compared with £938 per tonne for the same period in 1979. Gold prices, which averaged USS590 per ounce for the period, were more than twice those for the first half of 1979 having reached a record high of US\$846 per

ounce in January 1980. Due principally to the good results achieved during the earlier part of the period, Group profit before tax amounted to £295.3 million for the first six months of 1980, an improvement of £95.9 million, or nearly 50 per cent, over the corresponding period of 1979.

After deducting tax and the amount

attributable to outside shareholders, net profit attributable to BTZ shareholders for the first half of 1930 was £39.7 million (35.57p per ordinary share), an improvement of £28.1 million (11.13p per ordinary share) over net profit for the corresponding period in 1979. The improvement would have been approximately £3 million greater but for the higher value for the pound sterling at the half-year used to translate the results of the Group's oversees subsidiaries. results of the Group's overseas subsidiaries compared with the value a year ago.

Contribution to RTZ's net attributable earnings from its principal activities Sales by the CRA group showed an increase of over 40 per cent compared with the first six months of 1979, part of which was due to the inclusion of subsidiaries newly acquired under the arrangements with BH South, North Broken

Hill Holdings and Western Mining Corporation in the early part of 1980. Hamersley Iron's sales were also significantly higher than in 1979 when shipments were adversely affected by an industrial The contribution to RTZ's net earnings from

CRA was about 20 per cent higher than a year ago notwithstanding the decrease in RTZ's heneficial interest from 68.2 per cent in 1979 to 61.1 per cent in 1980. Within the CRA group, the main contributor to the improvement in net profit was Hameraley Iron which increased its ore shipments by over 40 per cent compared with 1979. Selling prices were also higher. In Bougainville Copper the benefit of the higher prices for copper and gold was largely offset by lower ore grades which resulted in a significant decrease in production. Costs were higher in 1980 due mainly to the increase in fuel costs and the

additional charge for depreciation following the revaluation of assets. Net profit was broadly the same as the first half of 1979. AM&S' net profit for the first half of 1980 was lower than in the same period in 1979, the exceptional profits from silver operations being insufficient to offset the effect of the lower lead prices and increased costs. Production at the Broken Hill mines and at BHAS was below 1979 levels, but output at the zinc smelters and at the Woodlawn mines joint venture

Rio Algom achieved increased sales and net profit compared with the first six months of 1979. Sales of uranium were higher, though the contribution to net profit was lower due to increased costs. Sales and net profit from steel and Atlas Alloys were significantly above 1979 levels,

the operations at Tracy having been adversely affected by a strike for the greater part of 1979.

Lornex's copper and molyhdenum operations achieved increased sales and profits, mainly due to higher metal prices.

Share of profits of associated companies

Deduct: Attributable to outside shareholders

Ordinary-Interim

Declared per 25p ordinary share

Gross equivalent to UK shareholders

Net profit attributable to RTZ shareholde

-Final

Dividends and interest receivable

Aluminium and the metal trading activities also increased their sales and net profits as a result of the buoyant market conditions for aluminium in the first quarter of the year. RTZ's share of Rio Tinto Minera's earnings showed a useful improvement over the first half of 1979 due mainly to higher prices for gold, silver and copper.

Outlook

Price levels for a number of the metals in which the RTZ Group is interested are currently below average prices realised in the first half of the year, the principal exception being gold. In the climate of the present world economic recession, the prospect of any significant improvement in metal prices and margins on other products in the short term is not particularly encouraging. However, with its wide geographical spread and broad range of activities and products, the Group is well placed to take advantage of improvements in

	world trading co	nditions,	
	First Half 1980	First Half 1979	Year 1979
rs	1,463.0 283.3 22.1 30.6 336.0 40.8 295.2 129.2 166.0 76.3 £89.7m	1.171.3 196.7 15.9 16.1 228.7 29.4 199.3 86.1 113.2 51.6 £61.6m	2,516.6 449.0 34.8 36.7 520.5 67.8 452.7 186.5 266.2 116.4 £149.8m
	35,57p 0.2 13.4	24.44p 0.2 10.9	59.42p 0.4 10.9 25.6
	£13.6m	£11.1m	£36.9m

4.50p

15.00p

(£ millions)

Group sales revenue

Group operating profit

Deduct: Interest payable

Group profit before tax

Group profit after tax

Dividends: Preference

Earnings per ordinary share

(1) The results of overseas operations have been translated from foreign currencies into starting at the quoted sets of exchange ruling at the accounting dates.

The amount shown for the 1980 interim ordinary dividend is calculated in relation to the ordinary shares currently in issue and no amount is included for any issues of accumulating ordinary shares allotted to holders of accumulating ordinary shares in lieu of dividend. If all accumulating ordinary shares are converted to ordinary shares, the cost of the 1980 interim dividend will be £13.9 million.

(3) The results of certain overseas subsidiaries have been adjusted for differences in accounting practices. The effect has been to increase RTZ's net attributable profit for the first half of 1990 by £2.0 million compared with the amount derived from the published results of the subsidiaries concerned. The corresponding adjustments for the first half of 1979 and the year 1979 were an increase of £1.5 million and a decrease of £0.3 million respectively.

(4) The first presentation of current cost information for the RTZ Group will be in the annual report and accounts for 1980.

Printed copies of the report are available on request from the

company's transfer office, I Bedeliff Street, Bristol BS1 6NT

The increase in copper prices together with higher prices for precious metals enabled Palabora to increase its sales and net profit.

Rossing Uranium's sales revenue and net profit were significantly above the levels of the first half of 1979. This was due largely to an increase in sales volume together with an improvement in sales volume together with an improvement in contract selling prices. Costs, however, were slightly higher than a year ago. RTZ Borar increased its sales revenue, the improvement achieved by all product lines in the

improvement someway by an product these in to offset the fall in sales from the UK chemical companies. Net profit was higher than for the first half of 1979 despite a lower profit from

chemicals.

RTZ industries' net profit in the first half of 1980 was lower than in the corresponding period in 1979 in spite of an increase in sales. This was mainly due to a decrease in profit in North America where operations were adversely servers in the recession which was particularly severs in the residential construction sector.
Sales and net profit in the UK were higher than in 1979 notwithstanding the increasingly difficult market situation being faced by most subsidiaries

and higher interest charges.
Higher oil prices, partly offset by lower production from the Argyll Field, enabled RTZ Oil and Gas to improve its sales and net profit compared with a year ago, and Anglesey

Anti-trust proceedings A private civil anti-trust action in relation to

United States by Westinghouse Electric Corporation ("Westinghouse") against twenty-nine companies (including RTZ and six other Group companies) and three similar actions were brought in 1977 by the Tennessee Valley Authority ("TVA") against a total of thirteen companies (including RTZ and three other Group companies). It is expected that very heavy damages will be asserted in these actions, which are likely to continue for some time. Rio Tinto-Zinc Corporation of Americs (s US subsidiary of RTZ Borax Limited) was named in the Westinghouse action but has since been dismissed from those proceedings; Rio Algom Corporation (a US subsidiary of Rio Algom Limited) is an appearing defendant in both actions. RTZ and other Group companies concerned are not appearing in either the Westinghouse or TVA actions on grounds that the US courts do not have jurisdiction over them. In Canada Rio Algom has brought two actions, one against TVA claiming damages of Can \$600 million and one against both Westinghouse and TVA claiming damages of CanS1,600 million.

uranium marketing was brought in 1976 in the

In the Westinghouse action in the United States a default judgment on issues of liability was entered in January 1979 by a District Court against all the non-appearing defendants

(including RTZ and four other non-US Group companies) on the basis of their non-appearance in the proceedings. Later in January 1979 the District Court entered a preliminary injunction purporting to restrain the direct or indirect transfer, withdrawn or divestiture of United States assets by all non-appearing defendants.
The default judgment and preliminary injunction were confirmed by the Seventh Circuit Court of Appeals in February 1980, However the Court of Appeals ruled that Westinghouse could not proceed with any hearing on damages against the non-appearing defendants until after the trial of the merits of its liability case (currently scheduled for September 1981) against the appearing defendants, except on conditions that

Westinghouse has stated it will not accept. In the first half of 1980 the US subsidiaries of RTZ Borax Limited earned profits equivalent to £11.3 million after tax (first half of 1979—£11.9 million; year 1979—£24.6 million). In view of their uncertainty as to whether the preliminary injunction entered in January 1979 in the Westinghouse proceedings could be alleged to prohibit any payment or transfer to RTZ derived from dividends paid by the US subsidiaries of RTZ Borax Limited, those companies have refrained from declaring dividends which might pass through to RTZ, even though RTZ s view on the basis of legal advice received is that no infringement of the injunction would result from

payment of such dividends.

RTZ and the Group companies concerned in the US anti-trust actions deny liability. Legal expenses are being charged against revenue as incurred but no further provision has been made. Having regard to the relevant facts and legal advice received, RTZ does not consider that the resolution of these proceedings will adversely affect the Group to a significant extent.

Dividends

The directors have declared a dividend of 1.6625p per share on the 3.325 per cent 'A' a dividend of 1.75p per shares of the company and a dividend of 1.75p per share on the 3.5 per cent. B' cumulative preference shares of the company both in respect of the half-year to 31 December 1980. These dividends will be paid on 2 January 1981 to be a shadow of the half-year to 31 December 1980. These dividends will be paid on 2 January 1981 to holders on the London and Melbourne registers as at close of business on 28 November 1980 and to holders of share warrants to bearer representing 3.5 per cent 'B' cumulative preference shares on or after 2 January 1981 after presentation of coupon number 37.

The directors have declared an interim dividend of 5.50p per share in respect of the year to 31 December 1980 on the ordinary share capital of the company, compared with 4.50p per share for 1979. The directors expect, in the absence of unforeseen circumstances, to recommend a final dividend for 1980 of not less than that paid for 1979 (10.50p per share).
The interim dividend on the ordinary shares

will be paid on 2 January 1981 to holders on the London and Melbourne registers as at close of business on 25 November 1980 and to holders of share warrants to bearer on or after 2 January 1981 after presentation of coupon number 41. In the case of holders of ordinary shares and 'A' cumulative preference shares on the Melbourns register, payment of the foregoing dividends will be made in Australian currency at the rate of

exchange ruling on 2 December 1980.

The dividends on the ordinary and preference shares will be paid without deduction of income tax and will carry a tax credit. This credit will be available principally to United Kingdom resident shareholders and also to certain shareholders resident outside the United Kingdom. The interim ordinary dividend for 1980 after adding the tax credit will be equivalent to a gross dividend of .86p per share (compared with 6.43p per share for the interim for 1979).

Accumulating ordinary shares Holders of accumulating ordinary shares will receive on 2 January 1981 a further allotment of accumulating ordinary shares, credited as fully paid, on the basis of 0.011433 of a new share for every share held at the close of business on 28 November 1980. Fractions of less than one half of a share will be eliminated and fractions of one half of a share or more will be rounded up to one whole share. Holders of accumulating ordinary shares will also receive a dividend of 0.1p per

By order of the Board D. A. Streatfeild Secretary

6 St. James's Square London SWIY 4LD. 17 September 1980.

LONDON TRADED OPTIONS Oct. Jan. Ex'rcise Closing Vol. Closing Vol. Equity Closing. Vol. 350 360 140 460 500 550 600 70 80 450 550 62 38 44 158 138 98 73 5 115 80 47 180p 511p 14 51 61p 10 8 53 2 538p 130 100 70 156p 140 180 330 350 390 353 420 80 420 460 18 359°p 592p 13 41 108p 417p 182 February 15 lg 5 lg 1 lg 9 lg 4 lg 7 lg 101 61 44 23 10 80 121₂ 7 -15 11 106p 127p . & O. _ _ _ 5 _ 5 16 33Öp Racal Elec. Racal Elec. Racal Elec. Racal Elec. Racal Elec. Racal Elec. RTZ Totals

'Gold Fields achieved another year of record earnings in real terms. All the major segments of the Group's business again contributed to this improvement.'

GOLD FIELDS 1980

Highlights of a record year					
·		1980	1979	Increase %	
Dividends payable	р	22.5	13.5	67	
Historical accounting basis:					
Earnings per share	· p	60.5	38.1	59	
Profit before interest and taxation	£m	159.7	105.7	51	
Closing total funds employed	£m	<i>5</i> 84.8	<i>5</i> 38.9	9.	
Return on funds employed	%	27.3	19.6		
Current cost accounting basis: Earnings per share	D	38.3	19.9	92	

COL	/IPAI	VY PE	OFILE

Consolidated Gold Fields is a natural resource company, mining raw materials and

adding value to them. Our main product has always been gold. During the 1970's we became a leader in certain markets for construction materials. For the 1980's we have taken strategic positions in a small number of additional resource-related products.

Our customers are industry and government. We sell very little to the final Our major strength lies in the ownership of minerals, the skills needed to discover and evaluate them and the ability to process and market them effectively.

Our corporate aim is an above-average rate of increase in dividends, arising from a

SUMMARY OF RESULTS AND DIVIDEND PROPOSED

balanced and increasing stream of earnings

For the year to 30 June, 1980, Gold Fields again achieved record earnings, which at £159.7 million before interest and taxation (an increase of 51%) substantially outpaced inflation. Earnings per share on an historical basis rose 59% to 60.5p per share; on a current cost basis earnings per share rose 92% to 38.3p.

All the major segments of the Group's business contributed to this improvement. It was achieved by higher returns on capital and some redeployment of Group assets.

The Directors will recommend a final dividend of 15p per share, bringing the total dividend for the year to 22.5p per share (an increase of 67%).

GROUP PROFIT AND LOSS ACCOUNT			
	1980 £ million	1979 £ million	Increase %
Profit before interest and taxation Construction materials Manufacturing and commercial	42.0 28.8	34.2 21.5	23 34
Mining Operations of subsidiary companies Share of profit of Gold Fields of	20.9	8.5	146
South Africa Gold dividends from direct holdings	32.9	17.2	91
in mines Financial	21.4	11.3	89
Realisation of investments, non-gold dividends and interest receivable —			
net of charges	13.7	13.0	5
	159.7	105.7	51
Interest payable	<u>17.8</u>	17.4	
Profit before taxation Taxation	141.9 38.8	88.3 24.5	
Profit after taxation Attributable to minority interests	103.1 13.2	63.8 7.6	62
Attributable to the members of Consolidated Gold Fields Limited	89.9	56.2	60
Dividends (including proposed final) Remined	33.6 56.3	20.0 36.2	
• •	89.9	56.2	
Earnings per share (based on the average issued share capital)	60.50p	38.12p	•

PROFIT BEFORE INTEREST AND TAXATION

The principal factors in the increase of £54 million were:-

(a) Construction materials — increase £7.8 million Although there was little growth in the U.K. market for construction materials, Amey Roadstone substantially increased its profit from aggregates, Premix concrete and road surfacing materials. This increase was reduced by lower profits from concrete pipes and losses on contracting in the U.K. In the U.S.A., profits from concrete pipe operations were maintained despite the recession.

(b) Manufacturing and Commerical - increase £7.3 million The U.S. recession reduced Azcon's profits from steel distribution, but higher earnings were achieved from the manufacture and distribution of equipment and parts for energy related industries and from steel production and fabrication.

The strength of sterling adversely affected margins on exports of beer dispensing equipment by Alumasc, but overall the company's profits were somewhat higher than

Previous year's losses on shipping activities were eliminated. (c) Mining (Operations of Subsidiary Companies) — increase £12.4 million

The largest contributor to this sector continued to be tin mining at Remison in Tasmania, which benefitted from the increased tin price. Also in Australia, profits from copper mining and mineral sands showed substantial increases, but iron-ore operations were adversely affected by cyclones.

The previous year's profits were reduced by development losses in North America which were climinated during 1980.

(d) Mining (Gold dividends and GFSA) - increase £25.8 million This substantial rise was largely due to the higher gold price. West Driefontein, East Driefontein and Kloof continued to be the three lowest cost gold mines in operation in South Africa.

ROUP BALANCE SHEET						
					1980	1979
	٠.				£ million	£ million
Assets employed			_			
Fixed assets	•			-	249.7	218.2
Goodwill					14.7	12.0
*Associated companies	•				84.0	64
*Investments	٠.	••			52.7	59.
. Net current assets		•			118.6	_126.4
*··				-	519.7	480.
manced by	•					. •
Issued capital					37.3	37.
Reserves					<u> 354.5</u>	<u>305.</u>
•				•	391.8	342.
Minority interests					36.6	30.
Loan capital			• •		84.5	102.
Deferred raxarion		•			6.8	. 4.
Dunite game.						
			-		<u>519.7</u>	480.
*The excess of the Stock Exchange val	lue of th					•
sted investments, and of the investment	s in the					
isted associated companies, over their b	∧nk '					•

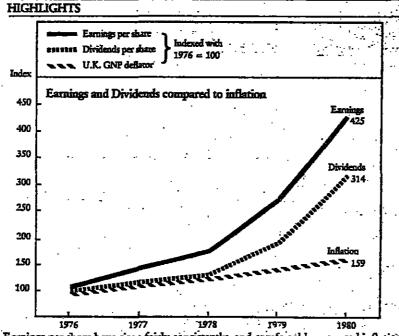
CURRENT COST PROFIT AND LOSS ACC	OUNT	Γ		
Profit before interest and taxation Current cost adjustments:	٠	1980 £ million 160	-	1979 £ million 106
Cost of sales	10		9	
Monetary working capital	4		. 5	:
Depreciation and disposals	<u> 29</u>	43	22	· <u>36</u>
		117		70
Interest payable Gearing adjustment	18· 5	13	17- 5	12
Current cost profit before taxation :	•	104 39		58 <u>25</u>
Current cost profit after taxation Attributable to minority interests		65 8		33 _ <u>· 4</u>
Current cost profit attributable to the members of Consolidated Gold Fields Limited		57		29
Current cost earnings per share (Increase 92%)	-	38.3p	· . ·	19.9 _P

FORTHCOMING EVENTS

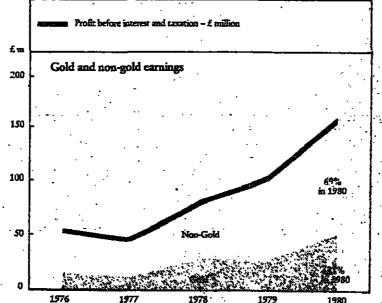
The Report and Accounts will be posted on 30 September 1980. The Annual General Meeting will be held at the Dorchester Hotel, Park Lane, London, W.1. on Wednesday, 12 November 1980 at 11.30 a.m. and, subject to approval of the proposed final dividend at this meeting, the following arrangements with regard to payment will

The dividend will be payable on 25 November 1980 to holders of Ordinary shares registered in the books of the Company at the close of business on 17 October 1980 and to holders of Coupon No. 128 detached from Ordinary Share Warrants to bearer.

Dividend Warrants will be posted to registered shareholders on 24 November.



Earnings per share have risen fairly consistently, and comfortably outpaced inflation. After the end of dividend restraint, dividends per share have been increased substantially.



Over the past five years the rate of growth of earnings has been broadly comparable from gold and non-gold operations.

> By Order of the Board, PEG ROE Secretary 17 September 1980

The Registrar, Gouso	Please send me a copy of your Annual Report. The Registrar, Gonsolidated Gold Fields Limited, Lloyds Bank Limited, Registrar's Department, Goring-by-Sea, Worthing, West Sussex BN12 6DA.						
NAME							
ADDRESS							
Consolic	lated Gold Fields Limited						

T. Cowie removes three George Ewer directors

motor dealer, yesterday suc-ceeded in removing three directors from the board of George Ewer and Co., the Grey Green coach and motor dealing company which it acquired earlier this year after a prolonged bid

The removal of Mr. Henry Ewer, Mr. David Ewer and Mr. agreements were terminated by Cowie last month, came at an called by Cowie in Sunderland

said the treatment meted out to bearing in mind the state of the him by Cowie was "a poor agricultural machinery market reward for the effort." Mr. Ewer Now the three dismissed said he had not even been able directors are pursuing a legal

T. Cowie, the Sunderland to say goodbye to his friends notor dealer, yesterday suc. The three former directors of Ewer said that during an "enforced leave of absence" from the company, a Board meeting was held when their service contracts were terminated "with-out notice or compensation."

At the heart of the row between the Cowie group and the Ewer directors is the purchase by Ewer shortly before the Cowie takeover of Eastern Tractors for £1.5m in shares. Mr. Henry Ewer said at yester-Their removal from the Ewer board followed an emotional speech by Mr. Henry Ewer in which he defended his record as chairman of Ewer and Co., and

day's meeting that he was con-fident the purchase would "make a significant contribution to profits." But after the meeting Mr. Tom Cowie, chairman of T. Cowie, said he did not believe the purchase was a good one,

action for the recovery of cash which they say they are owed by Cowie following their ultimate acceptance of the Cowie take-over, and are instituting another dismissal.

consideration due to the former directors in respect of their holdings in Ewer has been withheld and the money had designated account.

Cowie said that this action was taken on the advice of lead-ing counsel as being appropriate in the context of impending legal proceedings against the from Ewer's acquisition of Eastern Tractors. This move by Cowie has the full backing of Samuel Montage and Co., Cowie's

JFB-Amal. Industrial deal query

Brown seems to have come unstuck. Amalgamated said yesterday that action had been taken to set aside the contract which gave JFB an option to buy

Under the deal. JFB was an option to acquire Everbright Fasteners, Lion Steel Equipment, Gills Pressure Cast-

this repudiation, claiming diately before the conflict, a restoration to its position imme-declaration that it is void or has been voided or repudiated, damages and certain interlocutory relief. Amalgamated said it had issued instructions to its solici-tors to start legal proceedings.

RAY TRADING WILLIAM PICKLES Steels up to the end of next years and Alloy Steels up to the end of next January. As payment, JFB would transfer £250,000 of 12 per cent unsecured loan stock 1999 from Richard Garrett Engineering to Amalgamated Industrials.

Yesterday. however. Amala a stoke in the convention of a heart texture of the convention of

Yesterday, however, Amala stake in the company for about gamated said it had taken legal five years, amounced on Wedadvice on the contract entered nesday that its holding of the into with JFB in July. With ordinary voting shares had gone Amalgamated having moved to up by 463,974 to 1,571,474, or rould the deal, JFB has also repudiated the contract.

5.13 per cent to 8.71 per cent.
The company announced yesterday that Mrs. H. Pickles and others had disposed of 320.977 ordinary shares and 709.597, "A" shares being their entire foldings. Also Mr. H. Halstead and others have disposed of 98,379 "A" shares and 142,997 ordinary

JOHN BRIGHT PREF. STOCK OFFER

James Sharpe and Company ehalf of Largs, are prepared in bid through the market 51 p. for John Bright Group's 51 per cant cumulative £1 preference sharks The bid is subject to norma market expenses.

been reached with a number institutional holders of the stock. The offer will remain open until

Mr. Ross sells Stroud Riley stake

Mr. Harvey Ross, the Yorkshire gold investment and coin dealer, has sold his 18.6 per cent holding in Stroud Riley Drummond, the Bradford textile group. The 653,938 shares, which were sold on Monday at a price in excess of 41p, went to 36 predominantly

institutional investors.

Mr. Ross said yesterday that he sold the shares as he realised it would be difficult for him to obtain a controlling interest in the company. Mr. Stefan Simmonds, the Strond managing director, and the Strond family cent of the shares.

Mr. Ross said he had been approached by a number of interested parties about his shares, an attractive offer was made and he decided to accept it. He said that something more attractive might come up in his other ventures and added that his company, Harvey Michael Investments, was looking at two or three other public companies with a view to acquiring an

interest.

He announced that H.M.I. was diversifying into natural resources and had formed two companies, Ross Oil and Ros provide finance in companies connected with natural resources, mainly in Northern England. Mr. Simmonds, who through his Simco Supermarkets holds 29.7 per cent of Stroud, said yesterday that a lot of interest in the shares had been generated by Mr. Ross's shares purchases over the past months. He said he was more concerned with run-ning the business than speculat-ing in shares and said he had no plans to make a full bid for the

company. He said the textile industry was facing a difficult time but he was attempting to put the company on a better footing and was sure he had found the right way.

Astra moves into Evered with 10.6%

In further pursuit of its aim In further, pursuit of its aim of de-industrialising, Astra Industrial Group has bought 10.8 per cent of the shares of the Evered engineering company in the hope that it can gwap its engineering assets for Evered's properties, Mr. Dennis Dukes, Astra's

chairman, intends to buy more Evered shares at around 20p each. We shall take as many as we can get." he said. Astra intended eventually to make a full bid, but would still like to see Evered keep its stock market. quotation, he added.

Mr. Dukes said he had met the Evered management before the share purchase to discuss possible arrangements between the two companies; but nothing specific had emerged. "This is just another way of doing it," he said. Astra did not want to play any part in Evered's management.

A month ago, Astra agreed to sell its metal finishing division to Bodycote International for nearly £700,000. It also announced the sale and lease-back of its Queen's Road Aston for the carls. factory for film cash.

Evered's interest for Astra, explained Mr. Dukes, lay chiefly in its 13 acres of property at Smethwick and its industrial estate at West Bromwich. Setting out Astra's future course in July, he said that high interest the state at a state and interest. charges, the steel and engineer-ing strikes and the problems of the motor industry had decided company to start stringing

1979/80 the company was looking for better trading in the current

ESPERANZA/RIT/ **GUINNESS PEAT**

Discussions have been taking place for a number of months between RIT and Guinness Peat about the relationship of RIT and Guinness Peat as the twa majer shareholders in

The two shareholders have ormally decided to end their

Esperanza from Guinness Peat at a price of 145p xd per share, which will increase RIT's holding in Esperanza from 17.2 per cent to 29.5 per cent. Guinness Peat will accordingly reduce its holding from 21.3 per cent per cent and has stated that it is its present intention to con-

Esperante has been informed of hese deciisons and Lond Kissin, chairman of Esperanta, agreement, dating from 1970 has invited Mr. Jacob Rothschild when RIT originally acquired its to return as a member of the interest in Esperanza, to act board of Asperanza as a repretogether as shareholders of the sentative of RIT.

'More than one' approach for Marler Estates

Marier Estates, the property development company whose share price has risen 21 times in the past five weeks, yesterday confirmed that it had received "more than on e approach" which might lad to a bid.

This followed a definite offer for "a substantial part" of the Hade Investments, a nominee vehicle for clients of Lazard Brothers.

The news led to another sharp rise in the share price—from 94p to 108p.

According to last year's balance sheet net assets per share amounted to 53p, after adjusting for the post-balance he said.

Notice To Holders Of Ordinary Share Warrants To Bearer

Final Dividend

Subject to approval of the proposed final dividend at the Annual General Meeting to be held at the Dorchester Hotel, Park Lane, London, W.1. on Wednesday 12th November, 1980, the dividend will be paid on 25th November, 1980, or at the expiration of six clear days after lodgment thereof, whichever is the later, to holders of Coupon No.128 detached from Ordinary Share Warrants to Bearer.

Payment will be made:

in London at:

Midland Bank Limited, New Issue & Securities Department, Mariner House, Pepys Street, London EC3N4DA

in Paris at:

Lloyds Bank International (France) Limited, 43 Boulevard des Capucines, 75061 Paris, Cedex 02

in Zurich at:

Union Bank of Switzerland, 8021 Zurich, 45 Bahnhofstrasse

Consolidated Gold Fields Limited 49 Moorgate London EC2R 6BQ The Hard Bridge of the

shows advance

AN INCREASE of £20,777 to £271,713 in first-half pre-tax profits is reported by Corimthian Haddings, the financial services, group with interests in the manufacture and distribution of testiles and printing operations. But nover rose from £3.16m to £8.5m.

ofter central overheads and interest charges of £37,115-(437,860) and provisions amount-ing to £3,403 (provisions re-leased £17,896): Stated earnings per 10p share era up from 3.11p to 3.35p and 15e interim dividend is raised from 0.5p to 0.75p—last year's 15th was 1.5p from pre-tax profits of 1659,000.

R. McBRIDE UP MIDTERM

First-half 1980 taxable profits of Robert McBride (Middleton), assibsidiary of BP which produces domestic bleaches, deter-gents and toiletries, rose to 52,39m against £1.57m. Turnover was up at £9.99m (£7.64m) and tax took £822,000

brewed beers has in Boddingtons' Breweries increasing its pre-tax profits by nearly 30 per cent from £1.81m to £2.34m in the half-year to June 28, Turnover was up from £10.18m

the initial volume of sales held up well, says Mr. Ewart Boddington, the chairman, and were only marginally down on the corresponding period last year. Free trade sales, however, rose again and now represent some 20 per cent of the company's trade.

Delta Metal slips midway and expects lower year

A SEVERE drop in UK demand from the beginning of April has left pre-tax profits of The Delta Metal. Company, non-ferrous metals, engineering, electrical and building products manufacturer, macripally lower at facturer; marginally lower at £13.45m for the half year to June 28, 1980, compared with £14.05m. The pre-tax figure was struck

Profits for the whole year will be lower than the £30.43m reported in 1979, states Viscount Caldecote, the chairman. But he is confident that with the continuing action being taken to amprove the business and reduce costs, the group will emerge from the present recession in better shape and well prepared to take orders on a more profit-able basis.

First-half sales were £26.45m rusi-dan saies were £25.45m higher at £283.29m due, says the chairman, to higher prices rather than larger volume. Exponts rose £55.5m to £38.3m. reflecting higher volume, but margins were lower because of rising costs and the strength of

The pre-tax surplus, which is reduced to \$4.7m (£9.4m) on a current-cost basis, is struck after depreciation of £5.93m (£5.13m) and interest charges of £9.24m (£6.41m) and includes the associates' share of £3.92m (£3.08m).

Breedon and Cloud Hill ks, Camrex, Decouter

BOARD MEETINGS

ment Trust.

minorities £0.46m (£0.41m). Stated earnings per 25p share are down from 5.6p to 4.3p but the interim dividend is main-tained at 1.82p, again absorbing Last year's final was

Overall, the group's overseas companies achieved higher sales and profits, with a shortfall in good in Africa and Australia. The chairman expects overseas profits to continue at a satisfactory level.

But in the UK demand is still at a low level and this, together with strong pressure to reduce stocks both in the company and

by customers, has led to closures, redundancies and short-time working. The chairman is hopeful, however, that destocking by and that home demand will fall

dealt with separately from the trading results, shows a net loss of £2.57m for the six months against a profit of £4.24m, after tax relief of £0.13m (£0.52m charge). Until the year end, no transfer is made to or from the metal price contingency reserve which at December 29, 1979 stood

Upturn at **Thomas**

facturer of refractory and heat insulating materials and carbon for the chemical and metalurgical industries. from £125.000 to £228,000 in the half-year to June 30, 1980, but were still well below the 1978 midway surplus of £369,000. For the last full year, profits were £424.399. down from £1.14m.

continues at its present excep-tionally low level, say the directors, it is difficult to foresee The group has closed one of its

Wrexham works because of the reduced demand for insulating refractories, for which the directors blame a worldwide recession in the chemical and petrochemical industries, the strong pound, inflation, high interest rates and a continuing unjustified increase in the price of case. increase in the price of gas. First-half sales were £9.36m

(£8.71m) and the surplus was struck after depreciation of £152,000 (£157,000) and interest of £271,000 (£163,000). Tax takes £50,000 (£32,000) and there is an extraordinary debit this time of £31,000. Earnings per 25p share are shown as 2.52p (1.58p) and the interim dividend is held at 1.2p

Associated

Communications Corporation

Lord Grade of Elstree, Chairman

and Chief Executive, reports on

the International Group

history of the Company.

achieved in 1978/79.

Malays to have state's big tin group holding

THE MALAYSIAN Government- London's owned Pernas Group has announced that it will transfer the 71 per cent equity it holds in Malaysia Mining Corporation (MMC), the world's largest tin mining group, to the Bumiputra Foundation, as part of the Government's policy of transferring profitable companies it owns to the Malays, writes Wong

Sulong from Kuala Lumpur. The Pernas Group managing director, Mr. Rahman Hamidon, said the transfer would be effected by the end of the year, although the terms of the transfer have not yet been finalised.
Under the Government's
policy, its take in profitable
companies, such as Bank Bumiputra, Malayan Banking Berhad, and many others, will be trans-

ferred to the Bumiputra Founda-tion. The Government's stake in these companies amounts to several billion Malay dollars, at market value.

The foundation's subsidiary, Permedalan Nasional, will then issue unit trusts for sale to Bumiputras (Malays). The first of the unit trusts will be launched by the end of the year and each Malay will be restricted to the purchase of 20,000 units. MMC is 29 per cent owned by

London's Charter Consolidated.
The MMC annual report shows
a pre-tax profit of M868m
(£13.6m) for the year ended
January 1980, compared with M\$53m in the previous year.

The better results the better results were attributed to high metal prices, the sale of some of its investments, and the "strong results" of its subsidiary, MMC Marketing, which does its own marketing of tin in partnership with Anglo-Chemical, instead of sell-investments of the ing tin through smelters on the Penang market.

During the year under review, MMC entered into several agreements with the state governments of Perak, Johore, Kelantan and Selangor, to explore for and mine tin. The most significant agreement was with the Selangor government last July to exploit the extensive tin deposits in Kuala Langat.

Another development was the its activities under its subsidiary, effect means that MMC now holds (except oil and gas) in most of the territorial waters off the

being planned to exploit these areas, particularly off the Lumut district in Perak State where illegal offshore mining is

Candecca group seeks oil in Wilts.

The consortium which drilled the Lockton East and Malton No. 3 wells in Yorkshire, both of which were plugged and abandoned, are moving the drilling rig to Yarnbury, in Wiltshire.

An exploratory well will then be drilled on the site, which is around 50 miles west of the famous Humbly Grove oil discovery in the Dorset/Hampshire

Taylor Woodrow Energy, opera and Gas, 14.25 per cent, Haema North West Oil and Gas

Boddingtons' 30% ahead

on the increase the costs still rising, he says it is unlikely that rate of profit growth achieved in the first half will be

maintained. took £269,000 (£248,000), and tax was up from £770,000 to

Stated earnings per 25p share are 6.95p (adjusted 5.38p) before tax and disposal of properties, and 3.85p (adjusted 3.1p) after tax and before disposal of properties. posal of properties. The interim dividend is effectively 'pany's trade.

Mr. Boddington says the second half has started well.

with a small rise in volume raised from 1.166p to 1.4p—last year's total was an adjusted \$2.5p from pre-tax profits of \$4.01m.

BANK RETURN

la grade and distri- lagation	Wednesday September 17 1980	Increase (+) or Decrease (-) for week
BANKING	DEPARTMEN	NT
Liabilities Capital Public De posits	£ 14,553,000 37,510,349	£ + 442,150
Bankers Deposits	676,080,099 638,350,156	+ 258,963,486 51,052,334
11 y- -369	1,360,593,599	+ 208,373,512
ASSETS Go vernment Securities Ad vances & Other Accounts Pre mises Equipment & Other Secs. Notes	7634,029,064 249,729,968 547,800,495 28,746,800 287,272	+ 24,275,001 - 118,603,295 + 295,250,267 + 469,152 - 17,815
	1,360,593,599	+ 202,373,312
ISSUE !	DEPARTMENT	•
Liabi lities	.	2
Notes Issued	10,175,000,000 10,146,853,200 28,748,800	- 25,000,000 - 25,469,152 + 469,152
Other Government Securities	11,015,100 8,576,441,092 1,587,543,808	- 184,071,625 + 159,071,626
701	10,175,000,000	— 25,000,000

Croda International Half year report

by Sir Frederick Wood, Chairman First half results have been severely affected by high interest Liates and energy costs, the strength of sterling and depressed economic conditions in the home market.

Pre-tax profits have been undermined by a loss of £1.7m in Food Ingredients Group, mainly attributable to continued poor trading in Gelatin and animal by-products. Organic Chemicals and Paints did well, exports have increased by 12% over the comparable period in the previous year and overseas profits are higher despite a setback in the American inks market.

Although prospects for the second half are not encouraging, we are maintaining the interim dividend at last year's level of 11.5p net per share.

53.5

	m Bank a.s.	6 Miths to	Yea
	6 Mths to	1 July 1979	. 1979
•	29 June 1980	פינפו קועה ו	. 1973 E000
	.2000	127,553	267,17
External Sales	138,679		
Trading Profit	6,526	8,733	17,28
Associated Companies and			. 88
Investments	281	335	
	6,807	9,068	18,17,
Net Interest Payable	3,032	1,436	3,43
Profit before Taxation	3,775	7,632	14,74
UK Taxation	56	1,184	(28)
Overseas Texation	817	1,058	1,45
Profit after Taxation	2,902	5,390	13,57
Minority Interests and Preferen	ce ·		
Dividends	38	33	64
	2,864	5,357	13,510
Unrealised Exchange Losses	206	28	194
		·	1,250
Extraordinary Item			
Net Profit after Taxation and			
Extraordinary Item available	2,658	5,329	12.06
to Ordinary.Shareholders	2,650	تعورت	1_1-1
Amount absorbed by	1,584	1,580	3,270
Ordinary Dividends		3,749	8,790
Profit Retained	1,074	3,743	
Earnings per Share of 10p	•.		40.05.
Basic	2.71p	5.10p	12.85
Fully Diluted	2.47p	4.60p	11.57
Ordinary Dividends			
-pence per share (net)			
Interim 1979	· . 🖚	1.5p	1.5
Final 1979	••		1.6
Announced 18 September 1980	1		
Interior 1000	1.5o	_	· -

The interim dividend for 1980 will be paid on 8 December 1980 to share holders registered on 7 November 1980.

> Croda International Ltd Cowick Hall Snaith Goole North Humberside DN14 SAA

Television

ATV's current contract for seven-day-aweek television runs until 31st December 1981. By the end of 1980 the Independent Broadcasting Authority will reach its decision on the award of new contracts which will run for eight years. For the period of these contracts the Midlands franchisé area will be a dual region comprising the East and West Midlands and ATV has applied for the contract.

A new company, ATV Midlands Limited, has already been set up and a second studio complex is planned for the East Midlands.



T.V. programmes

Initially a proportion of ATV productions will continue to be made at Elstree. Thereafter, Elstree will become available for additional television productions and for special programmes for export.

A new company, Daybreak Television, in which ACC has a minority interest, has made an application for the proposed nationwide breakfast-time television franchise, and Elstree has been suggested as the ideal production centre.

Films

Our subsidiaries now embrace all three aspects of production, distribution and exhibition and the acquisition of Classic Cinemas place more than 140



screens at our disposal. The full-length Muppet Movie' has broken box office records and its much sought after successor is already in production. Altogether, the film division production schedule has never been stronger.

Theatres The theatre division

enjoyed a year of

truly outstanding

successes and its profit figure of £1.1 million stands at an all-time record. The year saw packed houses for Yul Brynner in The King and I' at the Palladium and 'Annie' at the Victoria Palace. The theatrical costumiers, Bermans & Nathans, established new overseas records and their work is to be seen in London's exciting new attraction-The

Palladium Cellars'.

Music

Our main music publishing subsidiary, ATV Music, rose to be the No. 2 company in UK music publishing, and profits and prospects are both excellent. Its subsidiary company, Bruton Music, is now firmly established as a prominent supplier for both television and films.

Records

In common with all other record companies, Pye Records had to face a world-wide recession within the industry. Special attention is now being paid to the important new development of video cassettes and video discs.



The results of Bentray

Investments-up from £3.5 million to £4.2 million-are impressive and the acquisition of Intereuropean Property Holdings has added a new portfolio, including the important Eros site at Piccadilly Circus.



Property



Telephone answering

The profit figure of £14,101,000 is the second highest in the 25-year

whole of Independent Television off the air for eleven successive weeks, the profit would undoubtedly have exceeded the record of £16,308,000 which was

Indeed, had it not been for a national industrial dispute which kept the

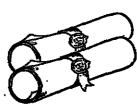
For the second year in succession the results of Ansafone have been . outstandingly successful and in spite of competition at home and abroad the growth rate has been one of 40%.



Insurance Two Bermudian

companies were

purchased by Marbarch Insurance Company and a new company, Bryanston Insurance, has been established. Subsidiaries have been set up in Australia, Hong Kong and Gibraltar, and trading has been profitable throughout.



letsave

The Group acquired an 85% stake in Jetsave, a company which is both a pioneer and a leader in the rapidly growing field of trans-Atlantic holiday travel.





Copies of the full Report and Accounts for the year to 31st March 1980 are available from the Secretary,

Associated Communications Corporation Limited, ACC House, 17 Great Cumberland Place, London W1A 1AG.

CURRENCIES, MONEY and GOLD.

from £3.1m to £536,000 in the first half of 1980 and after tax, a net margins were depressed by weak loss of £153,000 was incurred prices and delays on certain against profits of £2.19m last contracts, largely outside the

No interim dividend is being declared. Last year, the group. designer, maker and marketer of industrial instruments and metering devices, pald a 1p interim followed by a 1.2p final —pre-tax profits for the year amounted to £5.79m.

Loss per 25p share in the first half is stated as 0.52p (3.79p earnings).

Operating surplus of £3.22m (£4.92m) fell to 7.4 per cent of sales, this reduction being compounded by a substantial rise in interest charges, reflecting higher borrowings and the level of

Despite the further strengthening of sterling and the intense competition in all markets, both the indsutrial measurements and meters sectors showed results not materially different from the comparable period of the pre-vious year, and the subsidiaries operating outside the UK produced better results than in the previous period, the directors

Results for Introl valves were programmes and manpower satisfactory, but the remaining reductions have been imple-

Net profits in the first half this

23.4p at the end of last year. Urgent talks to this end are to The Board states that the take place with the relevant group's half-year profit has been trade unions.

or another, affected virtually the divisions will produce sound entire second quarter's trading year-end results. The paper-

In addition to this set-back, the looks for a profit not far short of

American and the Canadian In Canada, too, the company dollar adversely affected North expects only a small decline in

American earnings and assets on dollar profits compared with conversion to sterling, and 1979. This should be compen-further, undermined the prices sated by improved figures from

realised by the three UK paper the U.S. group of weeklies pubmills.

year are £412,000 against £1.23m

with earnings per share stated as 3.7p compared with 10.9p and

hit badly by the NGA dispute

which, by one form of disruption

Against a background of re-

continuing weakness of both the last year's.

23.4p at the end of last year.

suffered a downturn: output and company's control.

At the same time costs and cash flow were affected by the substantial build-up of activity on the new range of electronic con trol systems, where orders and prospects are encouraging, and by the coming on stream of the new factory at Stonehouse for products—a facility of great potential.

With the exception of process control, orders taken were at a similar level to the previous year, showing no growth in real terms, and the overall order backlog should permit turnover in the remainder of the year to be at a higher level.

		1980	1979
		£000	-2000
	Turnover	43.547	40.715
	Operating surplus	3.221	4.918
	Depreciation	1.172	1.031
	Interest charges	1.513	823
ı	Profit before tax	536	3.064
	Overseas tax	.678	687
	ACT	3 .	236
	Prior year tex adjust.	- 8	†25
•	Net loss	153	±2.186
	Minorities	128	129
	Attributable loss	281	12.057
	# Dabia # Cardle	4 Death	

However, while rationalisation

Liverpool Post dives midyear

FOR THE first balf of 1980, pre- cession in Merseyside, the UK daily newspapers seems certain

tax profits of the Liverpool Daily generally and in North America, to make 1980 the group's worst Post and Echo have slumped the outlook for the rest of 1980 year for over a decade. Against from £1.89m to £610,000 on recannot be optimistic, the direct hat background it should be

cost base of the daily newspapers

If the morning newspaper, the

Despite the general economic

climate the group's other divisions will produce sound

making and packaging division

The situation of the Liverpool

every week of the third quarter. ing

Liverpool Daily Post, is not to for its industries, and longer-close, major cost reductions must term plans for continuing be introduced, says the Board. growth there and in both Canada

PROFITS BEFORE tax of Brown substantial activities of the pro-mented in all sectors, margins Boveri Kent (Holdings) slumped cess control division in the UK will continue to be a cause of

comment

Profits of Brown Boveri Kent (Holdings) have been declining than a year but the sharp fall into an after tax loss in the first half of the current year was a pasty surprise. The shares dropped 2p to 28p. Most of the damage occurred at the operating level where profits dropped 35 per cent and margins more than four points. Demand for the group's industrial pro-cess control equipment, about half of sales, has been particu-larly weak in the UK and competition abroad has been severe. An 84 per cent increased interest charge has been caused to a large extent by the cost of delays in delivering equipment on some major export contracts. The final tion, which turns the £0.5m pre-tax profit into a £153,000 loss. half is not desperate. Still, there could be quite a wait before industrial capital investment timulates the order book in a

ing newspaper cannot survive-

The papermaking and packaging division shows itself resilient during a difficult period

A final dividend of 3p from

GT Japan Investment Trust reduces the total from 7p per 25p

share to 4p for the year ended June 30, 1980.

GT JAPAN

Second

were ahead by over 28 per cent at £533,493 (£415,089) on turnover down from £10.3m to £8.5m. increase in profits was mainly attributable to improved margins in the private housing divisions together with a continued reduc-tion in contracting activities. .. He said he was confident that

The directors are increasing the final dividend by 10 per cent

After a higher tax charge of £207,576 (£58,992) stated earnings

A revaluation of properties held as fixed assets or for invest-1979, about two-thirds of share of £1.74m. This has been inholders funds, but income gear-cluded in shareholders' funds ing of 47 per cent in the first which increased in the warm half is not desperate \$\frac{5}{2}\frac{11}{2}\frac{1}{2}\frac £2.56m to £10.55m and represent

Harrison Cowley up

rost and scan have sumped the outlook for the rest of 1880 year for over a decade. Against cannot be optimistic, the directors are maintaining the indirectors PROFITS before tax of Harrison Cowley (Holdings), advertising agency group, rose from £401,000 to £613,000 in the first six paid a total dividend of 9.5p from date, the Liverpool dailies have the Board adds.

pre-tax profits of £4.1im traded at a significant loss in the papermaking and marking (£4.02m).

months of 1980, In spite of the deepening recession, Mr. David Harrison. chairman, expects the group to achieve his forecast of £900,000 profits for the full year. The forecast was made at the time of the placing of 30 per cent of the shares under Rule 163(2) early in July, and Mr. Harrison said then that the greater proportion of the expected surplus

Stated earnings, after tax of £344,000 (£221,000) are up from 3.6p to 5.38p and the interim dividend is 1.4p. as foreshadowed at the time of the placing, when directors also announced their intention to pay a final for 1980

takes £231,630 (£393,843) and this time of £47,000, representing earnings per share are 4.84p (7.12p) diluted and 4.41p (7.25p) the expenses of the share placing, attributable profits are £222,000 (£180,000).

New Issue / September, 1980

6,500,000 Shares

turnover, from £19.24m taxable profits of

The chairman said then that the

to 1.5961p, which makes a total for the year of 2.2152p net

77.2p per share.
The company is engaged in private and public building developments and property investmajor way as the dividend cut suggests.

Despite a considerable drop in Second City Preparties improved from £1.07m to £1.2m in the year to end-April, 1980. At mid-year, pre-tax profits

results for the full year would show an improvement over those

per 10p share are 7.28p (7.48p) basic, and 6.75p (6.85p) fully diluted.

midway

would arise in the first half.

Pre-tax profits amount to £452,013 against £756,435. Tax After an extraordinary debit

Dollar firm

in the foreign exchange market was slightly weaker at the Frank of a reduction in Denmark's bank with DM 1.7812. During the

The dollar rose to DM 1.7915 from DM 17810 against the D- time this month. Sterling rose mark, to SwFr 1.6420 from to DM 4.2610 from DM 4.2580 Sw Fr 1.6290 in terms of the at the fixing. Swiss frane, and to Y212.90 from Y211.90 against the yen, although the dollar had already improved against the yen earlier in Tokyo.
On Bank of England figures, the dollar's trade-weighted index

rose to 83.6 from 83.3.

Sterling's index, as calculated by the Bank of England, rose to 75.6 from 75.5, after opening at 75.7 and falling to 75.6 at

The pound opened at \$2.3925-\$2.3935 and touched a high point of \$2.3965-\$2.3975 in early trading. It fell to \$2.3890-\$2,3900 shortly before the announcement that Minimum Lending Rate was unchanged, but then improved to \$2.3930-\$2.3940. Heavy buying of the dollar out of New York pushed sterling to a low of \$2.3820.82.3830 in the afternoon, and the pound closed at \$2.3845-\$2.3855, a fall of 75 points on the day

D-MARK-One of the weaker members of the European Mone-tary System of late, but showing

yesterday, helped by firmer Euro-furt fixing, with the Dutch dollar rates; and an easing of guilder rising to DM 91.97 from some European interest rates, DM 91.9650 per 100 guilders, News of a cut in the German Bundesbank's Lombard rate from DM 3.7640. An early firmprompted selling of the D-mark ing of Eurodollar interest rates against the dollar, and this was nelped the dollar which was followed by the announcement fixed at DM 1.7840, compared afternoon the U.S. currency rose above DM 1.7900 for the first

> DANISH KRONE—Remaining quite firm around the middle of the EMS after two devaluation in 1979.—The krone lost ground to most currencies at the Copen hagen fixing, and weakened further in the afternoon following news of the 1 per cent cut to 12 per cent in Denmark's bank

The dollar was fixed at 5.5165, compared with 5.5115, but rose above DKr 5.5400 in late trading. Sterling also continued to advance against the krone in the after noon from a fixing level of DKr 13.1945, compared with

DKr 13.1770 previously.

JAPANESE YEN-Advancing steadily since the middle of last month, helped by the general weakness of the dollar, and the Japanese economy, which is expected to bring another cut in the central bank discount rate. —The yen was slightly easier in light Tokyo trading, reacting little change against most cur-rencies including the dollar. OPEC meeting in Vienna. News There was little immediate that Saudi Arabia is to raise its reaction to yesterday's cut in oil price tended to depress the the Bundesbank Lombard rate, yeu, and the dollar rose to but the D-mark did weaken Y212.05 from Y211.60, touching against the dollar during a best level of Y212.15.

EMS EUROPEAN CURRENCY UNIT RATES

· :	ECU central rates	Currency smounts against ECU September 18	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.5618	+1.94	+0.73	±1,53
Danish Krone	7.72336	7.82312	+1.29	+0.08	±1.64 .
German D-Mark	2.48208	2.52897	+1.89	+0.68	±1.125
French Franc	5.84700	5.88113	+0.58	-0.63	±1.3557
Dutch Guilder	2.74352	2.75188	+0.30	-0.91	士1.512
rish Punt	0.668201	0.670338	+0.32	0.89	±1.668
talian Lire	1157.79	1201.19	+3.75	+2.69	.±4.08
		CU, therefore p djustment celc			

THE POUND SPOT AND FORWARDS

			* * * * * * * * * * * * * * * * * * * *	
Sept 18	Day's spread	Close	One month	p.a. months
U.S.	2.3820-2.3975	2,3845-2,3855	1.00-0,90c pm	4.78 2.02-1.92 pm.
Canada	2.7830-2.8050	-2.7860-2.7870		5.81 3 (15.5 Str28
Nothind.	4.63-4.67	4.64-4.65	23-13c pm	4.52 St. 45 pts. 19
Salgiva		68.50-68.60	27-17c pm	. 3-43 AS-44 Ann 8
Denmark		13 247-13,257		
Ireland	1.1310-1.1370	1.1330-1.1340	0.20-0.11p om	1.64, 0.40-0.31 hm
W. Ger.	4.25-2-4.28-2	4.27-4.28	31-2 pt pm	7.37 74 65, 200
Portugal	118.40-119.20 - 175.10-175.60	118.75-118.95	par=10c dis	-2.02 10-120 dis -
Spain		175.15-175.25	705-160e dis	-9.07 320 400 dia *-
Italy	2,026-2,031	2,028-2,029	93-113, lies dis-	-6.06.447.477. ch
Norway	11.55-11.61	11.57-11.58	31-20ra pm	
France	9.90-9.95	9.921, 9.937	4-3-c pm	4.53 84.7 pm 1.8
Sweden	9.901 - 9.957	9.911-9.925	per-yore dis	-0.38 33 47 die 1754
Japan	502-512	5077-5087	1.40-1,00y pm	283 4.303 80 pm
Austrie .	30,15-30,30	30.22-30.27 3.91-3.92	12-10gro pm	
Switz.	7.02.5 -7.22.5	3.51-3.52	34-24c pm	9.96 16 P pm - 774

Beiglan rate is for convertible france. Financial frace 68:00:59 10:1975 Six-month forward dollar 2.40-2.30c pm, 12-month 2.75-2.650 pm, 1875

THE DOLLAR SPOT AND FORWARD

Sept. 18	Day's :	Close	One month	% 9.a.	Three morales	đ
UKt		2,3845-2,3855-	1.00-0.90c pm	4.78	2.02-1.92 pn	36
Irelandt	2.1020-2.1135		0.60-0.50c pm	113	1.70-1.08 pa	i zo
Canada	1.1680-1.1700		0.05-0.01c mm	0.31	0.30-0.25 pa	. 19
Nethind.	1.9350-1.9467		0.15-0.05c pm	0.62	0:83-0.53 😘	- جـ
Belgium-	28.59-28.74	28.72-28.74	1-2'-c dis	-0.73	2-4 dla : : :	-
Denmerk	5.5145-5.5425	6.5410-5.5426	23-33-ore dis	-6.50	73.84 dis	. 72
W. Ger.	1.7810-1.7925	1.7910-1.7920	0,42-0.58pf pm	-2 88	1.57-1.47	. XC
Portugal	. 49.65-49.88`	49.73-49.88	20-35c dis-	-6.62	1,52-1,47 pm 46-90 dis	. 326
Spain	73.33-73.63	73.58-73.63	60-80c dis	-17.41	175-205615	
italy -	848.25-850.25	849.75-850.25	8-10 lire dis	-12.70	26-29 dia	-12
Norway	4.8332-4.8560 -	4,8535-4,8550	0.85-1.15ore dis.	-2.22	0.85-1.35dlp	25
France	4,7445-4,1625	4.1605-4.1625	0.10-0.20c dis	-0.43	0.03-0.13de	
Sweden	4.7500-4.1620	4.1605-4.1620	1.60-1.80cra dia	-4.90	4.75-4.95dis	-8
Јарел	212.25-213.50	212.85-212.35	0.20-0.30y dis	-7.41	0.12-0.02 pm	
Austria	12.613-12.685	12.674-12.684	9:20-0.80ero dia	-0.47	albe 1-mus	n
Switz.	1.6300-1.6425	1.8415-1.6425	0.82-0.77c pm	5.81	261-256 (4)	í.
† EK	and Ireland as	e quoted in U	S. currency. F	orwerd a	alemienie er	

CURRENCY MOVEMENTS CURRENCY RATES -30,4 -9,8 -17,4 +24,8 +13,8 -5,0 +43,4 +79,7 +20,2 Austrian schliling selgian franc..... Danish kroner..... -6.1 -51.5 +31.5 Nashington agre

	-			• •	•
THER	CUR	R	EN	C	ES

Sept. 18			- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	g Note fates
Argentina Peso Australia Dollar Brazil Cruzalro Finland Markka Groek Drachma Hong Kong Dollar Kuwait Dinar(KD) Lakembourg Fre Malaysia Dollar Malaysia Dollar Saudi Arab. Riyai. Singapore Dollar Sth. Africas Rand U.A.E. Dirkam U.A.E. Dirkam	2,0340-2,0370 134,58-135,58 8,68-9,68½ 101,576-144,682 11,78½-11,88½ 0.435-0.641 68,50-48,50 5,0376-5,0475 7,917,97 5,0225-6,0325 1,7935-1,7945	0.8535-0.8540 56.54-56.74 8.6410-3.6420 42.65-42.80 8.20 9.2670-0.8671 28.772-28.74 2.1145-2.1165 3.3190-5.3210 2.1085-2.1075 9.7520-0.7526	Donmark France France Sermany Italy Japan Notherlands Norway Portugal Spain	30,05.30,35 68,45.55,05 13,17.1282 9,88.9,95, 4,854.4,294 2018.3464 306,516 4,63.4(67) 11,54.42,64 11,

EXCHANGE CROSS RATES

Sept. 18	PoundSterfing	U.S. Dollar	Deutschem'	(Јарал'seYe)	FrenchFrane	Swiss Franc	Drigh Evild	Hadien Lira	Canada Dollar Balgias , Fra
Pound Sterling	1.	2,385	4,275	508,0	9,930	5,915	4.545	2029;	2.787 68.55
U.S. Dollar	0.419	1,	1,792	213,0	4,164	1.642	1.948	850,5	1.168 28.74
Deutschemark	0,234	0,558	1.	118,8	2,323	0.916	1,087	474,5	0,552 18,04
Japanese Yen 1,000	1,969	4,695	8,415	1000.	19,55	7.707	9,144	3998,	5,485 134,9
French Franc 10 -	1.007	2,402	4,305	511.6	10.	3.943	4. 678	2043,	2,806 69,0817
Swiss Franc	0,255	0,609	1,092	129.8	2,586	1.	1,186	518,1	0,712 17,51:3
Dutck Guilder	0,215	0.513	0.920	109,4	2,138	0.843 <u>.</u>	2.290	436.7	0,600 14.75
Italian Lira, 1,000	0,493	1.176	2,107	250,4	4,895	1.930		1000	1.374 55.79 ₀
Canadian Dollar	0,359	0,856	1,534	182.3	3.564	1,405	1,667	728.0	4,065 24,60°°°
Belgian Franc 100	1,459	3,479	6,236	741.1	14.49	5,711	6.776	2959.	
				··		• • •			

I LOND	OH INTENE	MINI TINI	te (11.00 a.iii	· SEPIEMBE
· · · 3 months	U.S. dollars	6 months (J.S. dollars	The fixing r
bid 11 1/158	offer 12 1/16	bid 12 1/2	offer 12 5/8	11 am sech

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Sept_18	Sterling	U.S.Dollar	Canadian Dollar .	Driek Guilder	Swiss Franc	West German Mark		Hallan Lira	Aslan S	Japanese , po
Short term	1614-1612 1614-1612 1518-1568 1434-15	10%-11 10%-11 11%-11% 11%-12% 12%-12%	10-111 ₂ 10-111 ₂ 101 ₃ -101 ₂ 103 ₄ -111 ₃ 111 ₂ -117 ₃ 111 ₄ -121 ₈	934-10 978-1019 1038-1019 1058-1034 1058-1034 1038-1034	1-11 ₂ 3-21 ₄ 5 ₁₂ -5 ₁ 6 51 ₂ -55 ₈ 53 ₄ -57 ₈ 5 ₁₃ -5 ₁₆	54 512 84 512 84 55 84 55 84 84 84 84	1112-1154 1112-1154 1112-1254 12-1214 124-1258 1256-1278	14-18 17-22 231 ₂ -241 ₂ 241 ₂ -251 ₂ 253 ₄ -263 ₄ 241 ₄ -251 ₄	3034-51 1078-11 114-1138 1141-1148 1278-1278 1278-1278	1214-1894 1334-1314 1254-1314 1154-131 11-7134 978-2028

Long-term Eurodollar two years 123-127, per cent; three years 123-127, per cent; four years 123-127, per cent; five years 123-127, per cent nominal closing to out-term rates are call for sterling. U.S. dollars. Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

German rate cut

The West German Bundesbank vesterday announced a cut in the lombard rate to 9 per cent rom 91 per cent. Such a move had been anticipated for some time, with rumours circulating about a possible cut ever since the first meeting of the central summer recess, on September 4. more into line with interbank money rates, since call money has not risen above 9.55 per cent during September. Yesterday call money was quoted at 9.40 per cent compared with 9.425 per cent on Wednesday. At the same time as yesterday's lombard cut, the authorities appeared their the authorities announced their intention to continue the recent run of sale and repurchase agreements with the market, thereby providing liquidity where necessary, and enabling the authorities to retain some control over market trends.

In Copenhagen the Danish central bank cut its discount rate to 12 per cent from 13 per cent. At the same time the rate on re-discount facilities was reduced to 12 per cent from 13 per cent. The discount rate has stood at a record 13 per cent since February this year, when it was raised two points from 11 per cent.

MONEY RATES

GERMANY

Prime Rate Fed. Funds Treasury Bills (13-week) . Treasury Bills (26-week)

In Paris the Bank of France announced its intention to buy first category paper from the market for value on September 22. Banks wishing to participate will submit paper with maturity bands of September 26-29. October 1-5 and October 8-15. The rate and amount are to be announced some time today. The last time the Bank bought paper was on August 20 at 11} per cent.

UK MONEY MARKET

Free supply

Bank of England Minimum Lending Rate 16 per cent (from July 3, 1980)

Day to day credit was in good supply in the London money market yesterday, and discount houses balanced their books without any official intervention. working against the banks brought forward balances a moderate way above target. Discount houses were paying

Slight

GOLD

in the morning and \$672,06 in in Paris the 124 kilo gold day as fixed at FFr 90,000 per 1310 (\$674.76 per ounce) in the lifter noon, compared with FFr 90,200 \$677.04) in the morning, and FFr 90,000 (\$675.74) Wednesday

		- est	L, 17
	Sold Buillon (fine o	4ines)	1 21EV
Close	4 (£28116-28214)	8674-677 8675-6784 ₉	(\$2815, 285) (\$2824, 284) (\$283, 673) (\$281,002) /w
•	Gold Coins		े स्वा
Krugerrakd 569114-6	5881 ₂ (C286.289)	8695-697 . 8689-694	(£2901, 2921) (£288-291)
New Sovereigns \$1701-1 King Sovs	1991g (2821g-84) O (283-841e)	\$1714-1724 \$198-200 \$198-200	(2714-724) (2821-831 ₉)
French 20s	1691 ₂	\$1571 ₂ 1681 ₂ \$832-635	(4821 <u>-881-)</u>
100 Cor. Austria, \$660-66. \$20 Eagles	3 5	\$654-668 5785-788	
		(: - : :	

call loans at the start, with later balances taken as low as 15 per

around 154 per cent for secured night money opened at 1646 per cent and eased to 15 151 per cent before coming back to 16 In the interbank market over- rates eased to 15-151 per centil

LONDON MONEY RATES

استعبد							<u> </u>			7.41
Sept, 18 1980	Starling Certificate of deposit	interbank	Local Authority deposits	Local Auth, pegotiable bonds	House	COMPRESS	Discount market deposits	-	Eligibie Bank Bills &	Place Track Bullet
Overnight	' _	15-164		1 - 1	_	164	. 15-151	 '		-
2 days notice			164e	I - I	-		1: "	1. –		- 47.0
7 days or	i	' – '		1 - 1	_ '	I _	LI			: -
7 days notice.		161s-161s	164	¦ I	164	1612-1668	151-161-	[· -	-	
One month		16 4 163a	1612	1718-1712	15 //	16%	15 - 156	3413.54		
Two months	15 k 15 k	157s 16		163, 17	16.	1	141, 145,	170	1614	
Three months.		15 4.15%	153-151-	154-154	1012	.16	14-141,	. 13.474	15%	- +94
Six months	141, 146	1412-1468	145g-147g	141g-145g	1 4 2	1512			14 2 141	
Nine months	134 138	136a 134	_	141 ₈ -145 ₈	14%	345	; = 1		13 ig- 136g	- 144
One Year	134-134	1312 1344	13%-13%	151 ₂ -137 ₈	137	144	· <u></u> - ·	· · ·		
Two years			1354	· — j	. — ` ·	-	l	: -	T . 🚍 3	, and 4

Approximate selling rate for one-month Treasury bills 14%-141% per cent

Salomon Brothers

Goldman, Sachs & Co.

Common Shares

(without nominal or parvalue)

The First Boston Corporation **Bache Halsey Stuart Shields** Donaldson, Lufkin & Jenrette

L. F. Rothschild, Unterberg, Towbin

Merrill Lynch White Weld Capital Markets Group Dillon, Read & Co. Inc. Bear, Steams & Co.

Drexel Burnham Lambert Shearson Loeb Rhoades inc.

Warburg Paribas Becker Wertheim & Co., Inc. Wood Gundy Incorporated

A.E. Ames & Co. Alex. Brown & Sons Dominion Securities Inc. A.G. Edwards & Sons, Inc. McLeod Young Weir Incorporated Nesbitt Thomson Securities, Inc.

Canadian Pacific Enterprises Limited 27

Oppenheimer & Co., Inc. Thomson McKinnon Securities Inc. Alien & Company ABD Securities Corporation

Atlantic Capital Basie Securities Corporation Bell Gouinlock Incorporated Burns Fry and Timmins Inc.

Daiwa Securities America Inc. F. Eberstadt & Co., Inc. **EuroPartners Securities Corporation** Robert Fleming Greenshields & Co Inc

Ladenburg, Thalmann & Co. Inc. Kleinwort, Benson Midland Doherty Inc. Moseley, Hallgarten, Estabrook & Weeden Inc. **New Court Securities Corporation** The Nikko Securities Co. Nomura Securities International, Inc. Pitfield, Mackay & Co., Inc. Richardson Securities, Inc.

Tucker, Anthony & R. L. Day, Inc. Yamaichi International (America), Inc. New Japan Securities International Inc. Nippon Kangyo Kakumaru International Inc.

Sanyo Securities America Inc.

Procter and Gamble faces health claims on tampons

SERICITER AND GAMBLE, the Government's Centre for It is also thought—although products groupsing, is facing a potentially reports of 299 cases of toxic this—that the company was tegsity problem over U.S. shock syndrome, 95 per cept of planning to introduce the branch which involved women during into Europe. The total U.S. tamong market is worth about

There has been a gathering because the centre has just volume of concern in the U.S. reported that of the women who in recent months over research contracted the disease in July afiggesting that an illness called. Thic shock syndrome may be related to the use of tampons. The condition, only recently ridentified, causes fever, vomiting, hair loss, skin disorders

tegsity problem over U.S. shock syndrome, so per during into Europe.

Rety brand tampons may have their menstrual cycle.

caused the deaths of several But Procter and Gamble's 700m a year.

name has hit the headlines Procter no contract the centre has just contracted the disease in July and August, 70 per cent were users of Procter and Gamble's Rely brand of tampons.

Although Rely accounted for less than 1 per cent of Procter's more than \$10bn worldwide shock, but rejects the Centre's sales last year, that was its first conclusions saying they are and since 1975, the deaths of sales last year, that was its first year of national sale throughout the U.S.

tampon market is worth about

Procter now has September 25 to reply to the Centre's findings, after which U.S. Food and Drug Administration (FDA) decide what course to take.

Procter says it is working urgently on the subject of toxic based on inadequate data and

Schlumberger in \$190m deal

BY PAUL BETTS IN NEW YORK ...

last January the

SCHLUMBERGER, the U.S. oil day the transaction would options to buy Schlumberger service company which acquired involve a tax free exchange of the result of the company which acquired involve a tax free exchange of tax f amounced yesterday it had share of Schlumberger common Setake over Manufacturing Data Sistems, a computer services Data common stock. Seacern with sales of \$40.4m He said that on the basis of souring the first nine months of about 2,987,000 Manufacturing Data shares outstanding about 1,270,000 Schlumberger shares worth around \$190m. Jean Riboud, Schlum-

securities on the basis of 0.425 the company said. stock on a pre-split basis for each share of Manufacturing

shares on a comparable basis, Schlumberger, which is seeking to dominate the market for so-called wire line services to provide the oil and gas industries with information to discover and produce oil and gas economically, said it expected that the transaction gas on a pre-split basis would be issued. Manufacturing Data Systems would be completed rger's chairman, said yester- stock options will become later this year.

Good first quarter for Pillsbury

--- BY TERRY BYLAND

bury, the Burger King restaufisht and consumer foods group, which has raised its earnings forecast for the full year to

In fiscal 1980, Pillsbury pushed earnings ahead from \$4.62 to \$5.22 a share on the back of a 20 per cent advance 55,00 a share, compared with in sales, of which more than one half came from Green a 16 per cent gain in net earn- tinned food company

K-GOOD start to fiscal 1981 was ings to \$28.7m or \$1.43 a share. The consumer foods business, disclosed yesterday by Pills. Sales at \$720.8m were 8 per cent which turns in some 34 per cent of secure areas and the same statements. cent of group profits, comprises well known brand names such Green Giant, Fox Deluxe and Totine's, the frozen pizza company. Further growth is expected from this side of the business, reflecting a more favourable demand and supply balance in some products.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on September 18 M. Bk. Dnmk. 9 91 EUA 25
SOFTE BA 89 EUA 40
U. Bk. Nrwy St. 90 EUA 18
Algeniene Bk. 10'8 87 Ft 400
Sk. Mees & H. 10 85 Ft 75
Norway BA 84 FF 100
Philips Lamps BA 84 FF 75
Norway BA 84 FF 120
CFCA 14'4 86 EFr 150
Air France 11 84 FFr ... 120
CFCA 14'4 86 EFr ... 150
Finland 11'4 89 FFr ... 36
Finland 11'4 89 FFr ... 70
Gez de France 11'8 84 FFr 150
IBM France 11'5 84 FFr 150
Solvay at Cle 94 87 FFr 120
Solvay at Cle 94 87 FFF 125 937, 951, 0 -07, 9.82 882, 90 0 0 10.17 983, 1003, 0 +01, 9.48 96, 965, +01, -01, 9.42 983, 1061, +02, -03, 8.89 100 1001, +02, -03, 8.89 100 1001, +02, -04, 9.33 983, 963, +02, -04, 9.33 983, 963, +02, -04, 12.16 1047, 1052, 0 -07, 12.16 1047, 1052, 0 +03, 12.97 923, 943, 0 +03, 12.97 923, 943, 0 +03, 12.97 924, 957, +04, -04, 12.97 925, 935, +03, -04, 12.48 955, 951, +03, 0 13.19 871, 824, 0 -05, 13.18 871, 885, -07, -05, 13.37

Solvay at Cle 92 87 FF; Utd. Mex Sta. 14 85 FF; Baneficial Fin. 142, 90 £ Citicerp O/S 132, 90 £ EIB 112, 91 £

Gen. Elec. Co. 12¹, 29 f.
Peugeot SA 14 90 f.
Rothschild 14¹, 90 f.
Swed. Ex. Cr. 15¹, 25 f.
Swed. Ex. Cr. 15¹, 25 f.
Senobras 8¹, 90 KD.
CCCE 8¹, 91 KD.
Sonstrach 8¹, 90 KD.
Akzo 9¹, 87 LuxFr.
Euratom 8 87 LuxFr.
Euratom 8 88 LuxFr.
F18 9¹, 38 LuxFr.
Volvo 9¹, 87 LuxFr.

FLOATING RATE

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Pleating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread = Merpin-above six-month offered rate († three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bands: Denaminsted in dollars unless other

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Citicoty O/S Fin. 10 88	300	985 905 -05 -15 12.40
Con. Illinois D/S 94-88.	15D	884 884 -04 -1 12.65
"Benmark 175 90	100	923, 927, 101, -12, 13, 11
Nome Petroleum 121-02	Ęņ	4011 4011 -OL -OL 22 24
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GMAC O/S Fin 135, 85	100	1021 1024 0 -05 12.60
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7YB 10 85	50	924 924 -04 -14 72.15
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Swed Ev Cord 125 85	50 40	99 99 0 -17 12.57
Stred. Ex. Cred. 121 85	50 40 50	99 99 0 -17 12.57 871 881 -04 -05 13.23
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SWISS FRANC
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Bergen, City of 42, 91 40
Bergen, City of 6 90 50
BMW Overseas 47, 81 100
Behrm n-Tetterode 7 90 40
Consell of Eur. 5 89 700
Conneil of Eur. 5 89 700
Danmark 54 700
Denmark 54 700
Delet de France 47, 83 100
Eig. 47, 94 700
Eig. 47, 94 700
Eig. 47, 91 700
Eig. 47, 91 35
Int. Amer. Dev. 47, 89 100
Malaysis 5 89 80
Nerges Komm. 47, 97 100
OKB 47, 91 100
OKB 6 90 100 SWISS FRANC ### 58 89 80

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OKB 4** 91 100

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981, 881, 0 -01, 8.67
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981, 971, 0 -01, 8.92
901, 911, -01, -01, 8.92
981, 981, -01, -01, 8.90
On day 6 on week -01,

Convertible Bonds: Denominated in dollars unless other-wise indicated. Cho. day = Change on day. Cav date = first date for conversion into shares. Cav. price = Nominal smount of bond per share expressed in currency of share at conversion rate fixed at assec. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares. O The Financial Times Ltd., 1980. Reproduction in whole of in part in any form not committed without written consent. Data supplied by Inter-Bond Services (a sub-

agrees to union director

By Our New York Staff

AMERICAN MOTORS Corporation and the United Autoworkers Union have agreed terms of a three-year contract which, if the U.S. anti-trust authorities do not raise objections, will lead to a union leader joining the company's board of directors. The agreement ended two days

of unofficial strikes at the

company's main plant in

Wisconsin.

Details of the contract have not yet been made public, as it still has to be ratified by AMC workers, but AMC apparently failed in its attempt to win special concessions from the union in recognition of its precarious financial condition.

AMC's losses, expected to total a record \$150m this fiscal year, has led its banks to suspend lines of credit, which are currently being re-negotiated. The company, meanwhile, is getting by with a bridging loan from Renault of France, which has an equity stake in AMC and a plan to jointly manufacture Renault-designed cars in the U.S. from 1982.

The terms of the settlement are understood to be more or less identical with those agreed last autumn by General Motors and Ford, meaning that AMC's only advantage over its much larger rivals is that it is one year further down the road in having to meet those terms.

The GM deal involved a 33 per cent aggregate increase in pay over three years, assuming inflation in the period of 8 per cent, as part of the award is indexed to consumer price

BY OUR FINANCIAL STAFF

that it had satisfied a ruling by

the Ontario Securities Com-

mission regarding Campeau's

C\$413m (U.S.\$360m) bid for

Royal Trustco, the largest trust

Campeau said that Unicorp

for its Royal Trustee holdings, the same price as Campeau has

company in Canada.

holders.

WEST GERMAN MOTOR INDUSTRY

Steep first half downturn for VW

saw profits drop by 28 per cent in the first half of 1980, having been hit by flagging demand in key markets at home and abroad, by industrial trouble in some foreign subsidiaries and production costs.

After-tax profits fell to DM 216m (\$121m) from DM 300m in 1979, which was a from record year for the group. Sales rose by 1.1 per cent to DM 16.9bn in the six months but this was principally because of the consolidation of Triumph Adler and Chrysler Motors do Brasil as well as price increases.

Worldwide deliveries were

814,000, a 4.7 per cent increase. As with Ford and Opel in Germany, the main models to suffer from the depressed domestic market were those in the upper middle sector, while the smaller models continued to hold their own. But Volkswagen is still significantly ahead of its main rivals on the German market. The January-July new registration figures, just released, show that almost 12 per cent fewer VWs and Audis were registered than in the same period last year. Opel registrations are down 19.3 per

cent and Ford's 24.8 per cent. Although it is clear that VW little changed at 1.3m units, cannot remain immune to world mainly because of a 10.6 per motor trends—it is extremely cent drop in German sales from apprehensive, for example, 517,000 units to 462,000 units. about its sales prospects in streamlining of production is Foreign sales—especially in the Britain this year—it seems conexpected to lead to an annual 3

German competitors. Thomee. Herr Friedrich Volkswagen finance director, said yesterday that the group had seen the recession coming

three years ago and was adequately prepared for the troubled times ahead. Turnover in 1980 might eventually get close to the record proportions of 1979, although prospects for profits were far from clear. Two main factors have affected Volkswagen. One is the group's high investment programme for the next three years, which is likely to total DM 10bn in West Germany alone. Investments in the first

up 45.6 per cent. Rationalisation and the of 1979. This was caused by streamlining of production is both currency fluctuations and expected to lead to an annual 3 to labour trouble.

half of 1980 reached DM 1.9bn.

VOLKSWAGEN, West Ger- U.S.—helped to compensate for fident that it will be able to ride per cent increase in productivity many's largest motor group, the domestic setback by reaching saw profits drop by 28 per cent ing 852,000 units compared with recession better than its Thomse believes that this will increase competitiveness with the Japanese, who now have a 10 per cent share of the German

market. The second major factor has been VW's spread into overseas markets which has reduced its dependence on the domestic market. VW of America, for example, recorded a 25 per cent increase in sales ot DM 3.1bn in

the first half of the year, a testi-

mony to the continuing demand for small cars in the U.S. But at the same time, VW's exposure overseas has created new forms of vulnerability. Thus while VW of America's turnover rose, it has recorded a loss of DM 46m against a profit of DM 4m in the first six months

Thomson in bank link with Lebanese group

BY TERRY DODSWORTH IN PARIS

THE THOMSON Group, one of house will bring it fresh over-system, with a balance-sheet of this year. France's leading industrial com-seas contacts. total of about FFr 2bn (\$485m) The companies, is linking up with a The Byblos Group's share-and deposits of FFr 1.6bn. results follows: France's leading industrial com-panies, is linking up with a The Byblos Group's share-Lebanese banking concern with holders include many Middle the aim of expanding its inter-

Thomson's 30 per cent stake in the new organisation, Banque Byblos France, is to be held through the company's own banking subsidiary, Societe Financiere Electrique de Banque.

The other 70 per cent belongs to the Byblos group, a banking operation which started in the Lebanon and now has its headquarters in Brussels. scribed capital amounts FFr 50m (\$12m).

While the main activity of the new French bank will be financing international business. Thomson is clearly hoping that with a capital of \$13m. Societe this unusual link between an industrial company and a finance 52nd in the French banking

shares of Royal Trustco until

this condition and others were

In another development this

week, the Federal Department

of Consumer and Corporate

Affairs said it started an inquiry

into the proposed takeover

tion is being carried out in conjunction with the Ontario

Royal Trust said it would co-

East businessmen, particularly national business, particularly from Saudi Arabia, and the in the Arab world. group claims to have strong contacts with the international

commercial

munity. M. Francois Bassil, the head of the group, which is also seek-ing authorisation to establish itself in London, says that both the French and UK capitals are important to the development of the organisation because of their large Lebanese popula-tions. These could, he said, be

Lebanese

business and deposits.
In the Lebanon, the Byblos Bank, a deposit-taking organisation, is reckoned to come 11th in the national league tables, Financiere Electrique comes

Dutch builder

major setback

PROSPECTS for the Dutch

dredging and construction group Volker-Stevin have de-

teriorated in recent weeks, cui-

minating in the announcement

yesterday that a loss could now

. VS: shares were suspended on

the Amsterdam Stock Exchange

yesterday after the price had fallen to around F1 38 from

forecast in May that its net

profit would fall this year from

the Fl 80.5m (\$41m) in 1979.

In June it revealed that the

decline would be much steeper

Problems have arisen over a

pipeline project in Oman which VS expects to complete by the end of this year. In June VS was still optimistic that other

projects due for completion in

1980 would compensate for most

if not all of the losses on the

But the company has now

revealed that the pipeline is

progressing so badly that VS

will probably move into the red

this year. Pipelaying is the smallest of VS's five major

divisions, accounting for FI

297m of its Fl 2.6bn turnover

VS was formed by the merger

than originally thought.

Oman contract.

last year.

forecasts

By Charles Batchelor

be expected for 1980.

a source of both international

Founded in the mid-1920s, Financiere Electrique's role is final quarter of last year, when to advance credit to clients of supply problems within the the Thomson group, a widely goods, telephones, and information systems. Last year Thom-son had sales of FFr 30bn, of which 41 per cent was earned

the performance of BP France oil supplies this year have gone has seen profits drop to break up substantially, amounting to even, during the first six months FFrs 1.2bn.

The company says that these results follow a trend which first manifested itself in the group forced BP France to buy diversified enterprise with oil from external sources under interests in electronics, arms- unfavourable market conditions. electrical consumer Net profits of FFrs 382m (\$92.7m) last year were described as disappointing because of these problems.

The group, 70 per cent owned verseas. by the British company, adds

A marked deterioration in that its costs in buying further

The Management Board announces, that with the approval of the Supervisory Board, an interim dividend of Dfls. 4.00 per Dfls. 20 .-- ordinary share will be paid for the financial year 1980.

For shareholders and holders of ordinary share certificates, coupon number 33 of their securities will be payable at the head offices of the following banks with effect from the 1st October 1980.

Amsterdam-Rotterdam Bank N.V. Algemene Bank Nederland N.V. Nederlandsche Middenstandsbank N.V. Plerson, Heldring & Pierson N.V. Bank Mees & Hope N.V. Nederlandse Credietbank N.V. N.V. Slavenburg's Bank at Amsterdam, The Hague and Rotterdam.

For each Dfls. 20.— ordinary share or ordinary share certificate the interim dividend of Dfls. 4.00 will be payable on the above-mentioned coupon. less 25% dividend tax.

Holders of Bearer Depositary Receipts (BDRs) will receive their dividend through the intermediary of the institutions where the coupon sheets of their share certificates are deposited on the 11th September 1980 at the office's closing time.

Copies of the report for the first six months of 1980, published on the 11th September 1980, are available at the offices of the above-mentioned banks and the undersigned.

The Hague, 12th September 1980. Churchiliplein 1. ENNIA N.V., Management Board.

Amsterdam, 12th September 1980. Keizersgracht 558. N.V. Administratiekantoor Christiaan Huygens.

INTERNATIONAL BONDS

Taylor Woodrow issue

offered to other Trustco share- Securities Commission.

Campeau accepts ruling

CAMPEAU CORPORATION Securities Commission ordered

announced in Toronto yesterday . Campeau to cease trading in

Financial has agreed to accept because of possible irregularities

Campeau's offer of C\$21 a share in share trading. The investiga-

On Wednesday, the Ontario operate fully with any inquiry.

on Trustco takeover

871 823 0 -01 13.18
841 851 -01 -02 13.37
1001 1013 0 -03 13.88
823 992 +04 -05 13.69
823 992 +04 +05 13.73
884 99 +04 +05 13.73
884 99 +07 13.74
884 99 +07 13.75
101 1013 +03 -05 14.14
953 953 +03 -17 14.40
953 953 +07 -07 13.25
977 984 0 -17 14.40
1923 933 0 -07 14.41
1033 1002 +07 +07 14.01
1923 933 0 -07 9.12
1923 933 0 -07 9.12
1923 933 0 -07 9.12
1923 933 0 -07 9.12
1923 935 0 -07 10.45
877 834 0 -07 10.45
97 98 0 -0 10.23
977 985 0 -0 10.45 company to launch a convertible dollar denominated Eurobond this week. The \$20m 10-year convertible, which is led by Hambros Bank, carries an indicated coupon of 81 to 9 per cent, which will be payable Europond for Taylor Woodrow. Meanwhile, the first French franc convertible Eurobond for many years was launched last night for CIT-Alcatel, the com-munications unit of the Compagnie Generale d'Electricite. The borrower is raising FFr 180m for 11 years on a coupon of 101 per cent. The conversion premium is expected Indosuez and Paribas.

convertibles remain the only the dollar denominated paper German Lombard rate and the which currently holds any widespread impression among attraction for investors. Six German bankers that some convertibles have been investors. convertibles have been issued during the past II days and all have met with a good reception. All other sectors of the dollar being done outside dealers

TAYLOR WOODROW yester- themselves. Prices of straight day became the second British dollar bonds were virtually unchanged yesterday.

The \$20m 15-year convertible for Triton Oil and Gas, which includes a final coupon of 81 per cent, was signed yesterday. The lead manager, Schroder Wagg. is expected to make very semi-annually. This is the first tight allotments to the underwriters of this issue because of the strong demand. The conversion price is \$31\frac{1}{4}, representing a premium of 8.7 per cent above the closing price of the shares last Wednesday in New York.

In pre-market trading yester-day the issue was already quoted at a premium of 11-21 to be 8 per cent. Four banks Other recent convertible issues are joint lead managers of this are doing equally well. The 8 issue: Societe Generale, CCF, per cent Blocker Energy bond

Central Council would have wished to cut the Lombard rate by a full point h elped the market are languishing with a D-Mark bond markets where minimum volume of trading prices of foreign bonds edged up by about i of a point.

MEDIUM-TERM CREDITS

\$50m for Petroleum NZ

BY PETER MONTAGNON

first by this borrower which is fully state-owned and controls all the Government's interest in the hydrocarbons sector.

The credit is being managed on a club basis by Orion Bank and hears a margin over Libor of 1 per cent. It may be extended for a third year, in which case the margin would rise to I per cent.

Australasian borrowings contimbe to attract strong interest in the Euromarkets and the narrow spreads obtained by the Petroleum Corporation underdeals available.

This point is born out by of Victoria through National carriers.

THE PETROLEUM Corporation Westminster. Despite its unof New Zealand is raising a usually long life of 15 years, \$50m, two-year Eurocredit, the this \$30m financing also bears fine spreads. They start at i point and finally to §.

Meanwhile, Orion is also arranging an A\$40m credit for the State Electricity authority of Queensland. Of the proceeds, ASSm have been earmarked for use by the Queensland Metropolitan Transit Authority.
The credit will be handled or

club basis. Conditions have not been disclosed though they are understood to involve an unusual combination of floating

and find rate finance.

Separately, Orion is also to line the relative scarcity of arrange finance totalling some \$80m for the Australian Ship ping Commission on undisclosed another credit understood to be terms. Proceeds are for the conimminent for Australia's State struction of two new bulk

in 1978 of two independent construction groups, Stevin Groep and Adriaan Volker. Before the merger, both companies had healthy profit records.

Tricorp Oil & Gas N.V.

This advertisament complies with the requirements of the Council of The Stock Exchange in London

(incorporated in the Netherlands Antilles) **US \$20,000,000**

8½ per cent. Convertible Subordinated Debentures due 1995

Convertible into Common Stock of and Guaranteed on a Subordinated Basis as to Payment of Principal, Premium (if any) and Interest by

Triton Oil & Gas Corp.

The issue price of the Debentures is 100 per cent, of their principal amount

The Debentures are convertible at a price of US s 31½ per share

The following have agreed to subscribe or procure subscribers for the Debentures.

J. Henry Schroder Wagg & Co. Limited Rotan Mosle Inc.

The Debentures constituting the above have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary global Debenture.

Particulars of the Issuer, the Guarantor and the Debentures are available in the statistical services of Extel Statistical Services Limited and may be obtained during business hours up to and including 10th October 1980 from the brokers to the issue: Rowe & Pitman

City-Gate House, 39-45 Finsbury Square, London EC2A 1JA

19th September 1980

Continued growth

SALES

4976 £19.5m 🔈

In the year ended 31st May 1980:

Sales were up 56% at £71.8 million Pre-tax profits increased 48% to £5.2 million Total dividend is increased 22% to 6.09p per share Exports and overseas sales accounted for 42% of total sales Two rights issues raised a total of £7.7 million

Two major overseas acquisitions were made: Alfred Neye Enatechnik in Germany Comatel S.A. in France

Net assets increased 91% to £19.6 million.

"Although the current year has started well with demand for the first two months ahead of the lastvear current conditions in the electronics industry are more difficult than a year ago. While your Board still expects to report another year of progress, the rate of increase is likely to be considerably less than it has been for the past few years."

P.A.M. Curry, Chairman.



A group of companies principally engaged in marketing and manufacturing electronic components and equipment.

If you would like a copy of the Annual Report please write to The Secretary, Unitech Limited, Phoenix House, Station Hill, Reading RG1 INP.



PROFITS

Braithwaite & Co. **Engineers**

Bridge and Constructional Engineers Pressed Steel Tank Manufacturers

Extract from the statement of

Mr J.A.Humphryes (Chairman)

- An increased Trading Profit of £976,627 achieved despite the effects of three major strikes and economic recession.
- Further capital expenditure at Newport Works to improve facilities for structural steelwork. Sales and production at Plastic Recycling Ltd
- more than doubled. Dividend increased substantially to a total of 7p
- per share for the year.

Turnover Profit before Tax Profit after Tax Earnings per share Dividend	1980 £ £8,793,000 976,627 482,627 17.6p 7p	1979 £ £10,466,000 526,712 291,212 10.5p 4.87p
Pividend		

The Secretary, Braithwaite & Co. Engineers Limited, 59 Church Road, Great Bookham, Leatherhead, Surrey KT23 3.J.J.



the small offset printing machine and supplier of reprographic equipment and

RESULTS FOR THE YEAR ENDED 29TH MARCH, 1980.

Sales—U.K. ,	1979/80 £10,742,000	1978/79 £9,875,000
Oversees (including direct exports)	£4,632,000	£4,432,000
Trading Profit	£615,000 £107,000 £93,000	£906,000 £452,000 £45,000
Net Profit	£14.000	£407,000

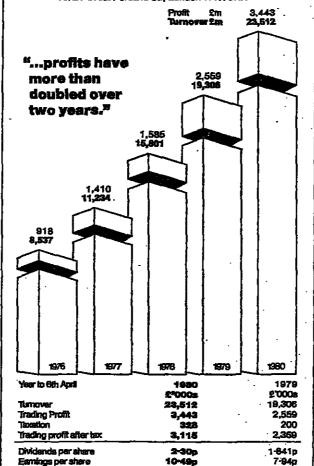
Chairman Geoffrey Nichols states that: "1979/80 was probably the most difficult year in the Company's history and having regard to the results and the continuing difficult conditions, the Board does not feel justified in recommending any final dividend.

Measures are being taken which will result in Rotaprint becoming
a more streamlined organisation from which growth will be

possible."
"Consumable supplies business is a bright spot with volume and margins being maintained in spite of highly competitive conditions." "High interest rates and general cost inflation in the U.K. must be brought down to levels where manufacturing industry can compete worldwide and on this worldwide basis there must be an economic improvement which will get international trade

moving again."

A.G.M. 19th September 1980 at 12.00 noon at
Rotaprint House, Honeypot Lane, London, NW9 9RE.



NOVO INDUSTRI AIS

NOTICE TO THE HOLDERS OF THE 7 PER CENT **CONVERTIBLE BONDS 1989**

At an extraordinary general meeting of the company held on 18th September, 1980 the shareholders approved an increase in the share capital of the company by D.kr. 85,590,000 to D.kr. 370,890,400 by the issue of new "A" and "B" shares by way of right to existing shareholders.

As a result of the above meeting and in accordance with Condition 5 of the bonds, the conversion price for the above bonds, as defined, is adjusted to

This conversion price applies to bonds delivered for conversion with effect from 28th August, 1980.

> September 18th, 1990 THE BOARD OF DIRECTORS OF NOVO INDUSTRIAIS

INTL: COMPANIES & FINANCE

ANI sees further rise after record year

By James Forth in Sydney

AUSTRALIAN National Industries (ANI), the engineering group, has raised its dividend after lifting earnings in the year to June by 15 per cent, from A\$17.5m to a record A\$20.2m (US\$23.7m). The result represents the groups thirteenth successive profit increase and the directors are budgeting for another gain in the current year. The dividend is increased from 11.7 cents a share to 12.8 cents, and is well covered by earnings a share up from 36.2 cents to 40.5 cents. Total sales were 10 per cent higher at

A\$485.1m. Tax absorbs A\$9.94m, compared with A\$8.54m in 1978-79, and represents 33 per cent of pre-tax profits rather than the standard Australian company tax rate of 46 per cent. The difference is mainly because of the benefits from investment allowances in Australia and the U.S., lower tax rates in some overseas countries, and the recouping of past tax losses.

The directors say that profits of the steelmark division and the overseas subsidiaries were substantially higher. Increased returns also came from Coates Hire Service, ANI Perkins, and the groups associated companies. Results from the metal forming divisions were in line with the results achieved last year. As expected, ANI Sargeants produced a slightly lower result than in the exceptional 1978-79 year, and the return from Capitol Motors was also down slightly. Both of these opera-tions had better performances in the second half of the year

than in the first six months.

Net assets per 30 cent ordinary share stood at A\$2.25 at end June. **Humes lifts** earnings

By Our Sydney Correspondent

HUMES, the pipe group, has increased its dividend after a 12 per cent lift in profit, from A\$11.0m to A\$12.35m in the year to June. The dividend is raised from 7.5 cents a share to 8 cents, and is covered by earnings of 16.4 cents, compared with 14.6 per cent in 1978-79. Growth in Australian and Far Eastern sales and contributions from newly acquired subsidiaries helped offset a decline

Fokker confirms sharp recovery in profits

BY CHARLES BATCHELOR IN AMSTERDAM

FOKKER, the Dutch aerospace craft, it said yesterday.

The company continues to push group, has confirmed that profits

The company noted that the shead with the development of this year will recover sharply.

For the first six months net a downtum in new orders as profits are Fls 48m (\$2.5m), in the alriance felt the effect of the Dutch Government has thinken and refer the company continues to push shear the company continues to push a shead with the development of the F-29 jet which it hopes to start selling in the mid-1980s.

The company continues to push the first six push and the company continues to push the shear than the shear the company continues to push the shear than the shear than the shear than the company continues to push the shear than the shea For the first six months net a downtum in new orders as start selling in the mid-1980s.

profits are FIs 4.8m (\$2,5m), in the airlines felt the effect of The Dutch Government has line with the level of earnings higher fael prices, the conprovided finance to take the achieved for the whole of 1979. The company did not produce half-year figures for 1979. Operating profits up to June this year were Fls 7.8m and tax amounted to Fls3m. Sales totalled Fls 462.6m, compared to

Fis 965m for 1979 as a whole. Fokker hinted earlier this profit of between Fi 10m and improvement was due to the favourable ratio between costs

routes and a limited decline in some markets.

The large orders placed in recent years and the long delivery times of new aircraft.

have also depressed demand. The sector in which Fokker operates, short to medium haul year that it would make a net aircraft, had yet to be affected, profit of between FI 10m and Fokker sold 16 turboprop F) 15m for 1980. The first half F 27s in the first half of the improvement was due to the year, the same number as in favourable ratio between costs the first six months of 1979 but force by 507 to 3,442 in the first and the sale price of new air raised sales of the jet F-28, half of the year.

company up to the F-29 project definition stage by mid-1981. The aircraft's specifications have been further improved, with an increase of 5 per cent fuel economy, while contacts with potential customers have been

Fokker has made investment commitments totalling FI 60m in 1980, though not all of the money will be spent this year. The company increased its work-

Dutch plan accounting changes:

BY OUR AMSTERDAM CORRESPONDENT

MANY MORE of the Nether- trols on private limited liability. The latest draft bill will lands' 150,000 private limited companies. liability companies-BVs-will be required to publish detailed accounts under legislation which is now being prepared. A draft bill submitted to

Parliament by Dr. Jacob de Ruiter the Justice Minister, will also set more detailed requirements for the accounting by public limited liability compaines—NVs.

The bill is the Dutch response to the fourth EEC directive on company law which is aimed at harmonising reporting standards throughout already preparing two draft suppliers or to the tax or social bills intended to tighten con-security authorities.

One bill will make main contractors responsible for sub-contractors. Building industry frauds by subcontractors and middlemen have prevented the payment of large sums to the tax authorities and social security agencies in recent

both private and ordinary limited liability companies liability companies personally responsible for debts The Netherlands is attempts to avoid payments to

require private limited liability companies and co-operative associations to publish accounts unless they fulfil at least two of three conditions. These are: That their assets are less than Fl 3m (\$1.5m), net turnsver is less than Fi 6m and they employ fewer than 50 people. A bill is also being prepared eperatives will be required to which would make managers of file abbreviated accounts.

All companies will in future have to provide more details of their assets and of subsidiaries in which they own 20 per cent or more. They will also have run up by their companies. A worrying number of bank or more. They will also may ruptcles—of BVs in particular to provide a geographical—are known to be definerate breakdown of sales and report the size of their workforce.

Major rights from Volksbank

BY JOHN WICKS IN ZURICH

(\$70m) through an issue of nonvoting participation certificates. "co-operative shares," common registered shares. "The bank intends to issue Im stock with normal bourse list. The Lugano bank, which certificates with a nominal value ings. The need to expand the intends to apply for stock of SwFr 50. Of these, 750,000 stock base over the present exchange listing before the will be offered by way of a rights. SwFr 375m capital arises from end of this year, booked 2.24 issue to existing holders on a a sharp expansion in business, per cent rise in balance-sliket one-for-one basis at SwFr 95 A substantially higher equity total over the six months to each. The remaining 250,000 ratio "has become necessary" mid-1980 to some SwFr 3.6bn each. The remaining 250,000 certificates will be available for free subscription at SwFr 185 each. Both transactions will take place between October 21 and

Balance sheet total has risen from SwFr 15.21bn to SwFr on growth target in almost all 16.96bn (\$10.4bn) during the spheres of activity. After the first six months of 1980. ..., rights issue, total capital re-

SWISS VOLKSBANK, Switzer- November 4. posed by Banca Della Svizzera land's fourth largest bank. Volksbank, which has the Rationa which is to raise plans to raise SwFrs 112m legal form of a co-operative, has SwFrs 44m through a one-form of a co-operative and the switzer hitherto issued only so-called five offering in bearer

> (\$2.2bn). Earnings were up and • A rights issue is also pro-sources will be of SwFr 308m.

Murray & Roberts ahead

BY OUR JOHANNESBURG CORRESPONDENT

AND ROBERTS, profit by 31.3 per cent to R34.7m (\$46.1m) in the year 84 cents, while dividends totalled 34 cents against 29.5 cents.

The trading profit includes Rim compared with R763.000, from the sale of investments, and R2.5m. against R226.000 from the divesting of certain properties and fixed assets. The directors warned in the

stantial loss" on the contract to South Africa's largest civil supply and erect the structural engineering and construction steel works at the Koeberg group, increased its trading nuclear power station near Cape Town, The loss has, they say, been fully provided for ending June 30, from R26.4m in through to the completion of 1978-79. Estimogs per share the contract. In addition, share-amounted to 104 cents against holders earnings have been holders earnings have been adversely affected by an increased tax rate, up to 32 per cent from 29 per cent, with the withdrawal of investment allowances on construction plant and

This year the group is to continue its policy of selling properties, so a significant sur-plus could again be reported in half-year statement that profits view of rising would suffer because of a "sub- in South Africa: view of rising property prices

GEARHART FINANCE N.V.

74% Conseptible Subordinated Gentanteed Debuttores due 1995

To all holders of 71% Convertible Subordinated Guaranteed Debentures due 1995 of Gearhart Finance N.V. (guaranteed by Gearhart Industries, Inc. formerly named Gearhart-Owen Industries, Inc.).

TAKE NOTICE that consequent upon the issue on August 15, 1980, by Gearhart Industries, Inc. (the "Guarantor") of a stock dividend of 1 new share of Common Stock in respect of each existing share of Common Stock held by shareholders of record on July 25, 1980, any Debentures converted after August 21, 1980, (the earliest date on which the Debentures become convertible), into Common Stock of the Guarantor will be converted at an adjusted conversion price of \$30.00 per share.

Bated the 19th day of September 1980.

For Gearhart Finance N.V. J. P. CLARK Managing Director

nent complies with the requirements of the Council of The Stock Exch

U.S. \$25,000,000

BANCA SERFIN, S.A.

(A private banking institution incorporated in the United Mexican States with limited liability)



Floating Rate Capital Notes Due 1986

The following have agreed to subscribe or procure subscribers for the Notes:

Credit Suisse First Boston Limited

Bank of America International Limited

Banque Nationale de Paris

Dresdner Bank Aktiengesellschaft

Lloyds Bank International Limited

Bank Brussel Lambert N.V.

Citicorp International Bank Limited **European Banking Company Limited**

Sumitomo Finance International

Yamaichi International (Europe) Limited

The issue price of the Notes is 100 per cent. The Notes have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the Notes. Interest is payable semi-annually in April and October, the first payment being made in April 1981.

Full particulars of Banca Serfin, S.A. and the Notes are available in the Extel Statistical Service and may be obtained

Сателоте & Со., 12 Tokenhouse Yard,

19th September, 1980

London EC2R 7AN

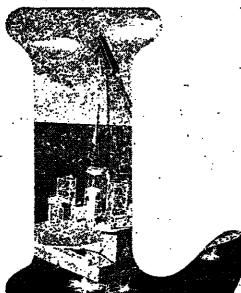
during usual business hours up to and including 3rd October, 1980 from the brokers to the issue:

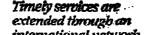
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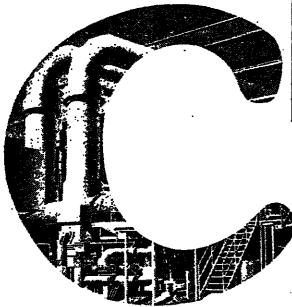
NEW YORK Stock Sept. Sept. 16	Stook 3ept Sept 16	Stock Sept. Sept. Stock	Sept Sept	Wall St.	mixed	at mid	coccion
Stock 17 16 Columbia Gas 58 5812	Gt. Nthp. Nekocas 38 38 Me Gt. West Financi. 2012 2051 Mil	sa Petroleum 5778 5838 Sakitz Brew J. M	152 147% 28% 28% 19% 19%	AFTER FURTHER advancing at 5,813	A and Oil and Gas 38.9 to The	announcement triggered o	f the Invest group, which
ARA COMMITTER STATE OF THE COMMITTER STATE OF	Guif & Western 20% 2014 M6 Guif Oil 30 205 M6	Pac	27 2658 4978 4814 58 5814 2418 2378	the opening yesterday, Wall 4,646 Street stocks receded on profit- taking to make a rather mixed showing at mid-session after	32.67. Ban ben ong Kong cret	ks, which are seen as hefiting from the loosening of dit. This left the market c	uciudes Beni immobili Italia, Biralanza and Saffa. In the Industrial sector, Flat limbed L100 to L2,190 on
ASA	Hammermill Ppr. 31 30% Mo Hammermill Ppr. 31 30% Mo Hammermill Ppr. 315 Mo Hanna Mining	ntanto 553, 515, Sears Roebuck. orabicCark	. 175g 175g . 65g 614 . 30 295g 715g 715g	The Dow Jones Industrial ANO Average was a net 0.85 off at ance 960.41 at noon, after rising to the a	THER STRONG perform D by Jardine Matheson led Con market further ahead yester Dre	entsche Bank gained DM 3.30, b nmerzbank DM 1.89 and a sdner Bank 60 pfennigs.	umours that next Tuesday's oard meeting might decide on . L500bn capital increase.
Cheary int 25: 345e Cons Foods: 255e 255a 15 Cons Freight 287e 281a 15 Cons Nat Sas. 451e 451e 451e 281e 285e 285e 285e 285e 285e 285e 285e 285	Harris Basop 257g 265g Mei Harris Corp	7phy (SC)	385 ₈ 393 ₈ 45 435 ₈	967.49 at 11 am. The NYSE day All Common Index was un- write changed at \$74.95, after reaching pond a record \$74.95, while gains pare	es our Hong Kong Corres stro lent, before profit-taking but d the gpins. The Hang Seng Vol		Australia Markets staged a fresh dvance, partly fuelled by some
#### September 2448	Herovies	Decindustries 2012 1912 1912 1915	1112 1114 1378 1378 5012 4912	over further swelled to 37.19m of 8. shares from Wednesday's mid-high	ing back to record a net rise ann 193 at 1,253.76. This is the the est closing level since a brief T	first seven-months. The Domestic Bond market g	trong buying by UR investors, ut closed below the day's best. he Sydney All Ordinaries index ained 7.14 to set a new closing
Alega 723c 7112 Cooper Inde. 50 48 1958 4978 Cooper Adolph 4 1866 1778	Hitschi 185 ₈ 185 ₂ 185 ₂ 185 ₃ 185 ₄ 185 ₅ 18	L Sypecim	21 2012 1578 1478 g 18 1778 n 2512 2512	day level of 32:35m. Analysts said stocks were almodinitially continuing to be pro-over	in 1973 took the index to respect 1,800. The combined turnban on the four exchanges came bar	ponded quickly to the Bundes- rick's decision to cut the Lom- a	ecord peak of 994.62. The Metals nd Minerals index put on 64.41 o 6,570.16. The higher London Bullion
Amerada Ness 94 334 Copeland 25 25 25 25 25 26 27 26 27 27 28 28 28 28 28 28 28 28 28 28 28 28 28	Holly Sugar 6514 6534 Nat Homestake 94 9614 Nat Honeywell 93 8912 Nat Honey I land 195 195 Nat	NS	60 4 5656 1. 351 ₂ 355 ₈ 393 ₄ 387 ₆	tional money into the market, for but profit-taking later set in. Wed They said investors are shrug-	seven years and well above 70 mesday's HK\$533.17m.	pfennigs and the Bundesbank i DM 6.2m nominal of paper, in f	rice gave Gold shares an early cost, but there was little or no ollow-through as the price of old in New York and Hong
Am, Elect. Pwr. 1754 1712 Grocker Nat. 5512 3558 Am, Express 373g 3512 Grown Cork. 2886 2754 Am, Gen. Insnee. 3814 38 Grown Zell 5634 50 Am, Hoist & Dk. 217g 21 Gramins Eng. 3312 3388	Hospital Corp 501g 495g NY Household Fig 19 191g NY Household Fig 273g 27 New Years 191g NY New Years 191g NY	State E & G. 16 16 SW Bancshares Times	3012 3019 - 5319 5214 - 1612 1678 2639 2539	price increase because other this producers have frozen prices, and the rise will only add about company to the price of the prices.	week of HKS4.20. The stock in to climb sharply after the pany announced a share swap form	the market initially moved in the her, backed by further strong in the her had been been been been been been been bee	ong failed to match those of ondon and Zurich. Gold leaders nanaged to hang on until the
Am, Home-Prod. 5012 3012 Curtiss-Wright. 3612 2556 Am, Nosc. Supply. 44 42 Damon 2612 2512 Am, Medical Int. 5826 5514 Dama 2614 2512 Am, Metors. 652 619 Dart Inds. 4536 4646 Am, Nat Resces. 423 424 Data Gen. 7312 7178 Am, Patting. 5412 66 Dayton-Higdson 5212 5134	Humana 5818 5714 No.	Sen (AC) A	311 ₂ 301 ₄ 2 755 ₆ 737 ₈	petrol. Schlumberger lost 2½ to \$149½. Land have	i, and its gains this week Chi rested in part on expectations	ctricals and some other Blue of ps and export-orientated fees, but later profit-taking left support over all with an excitations.	lose, but speculatives came in or some heavy selling in the econd session. Among Golds, Central Norse-
Am. Petilina 641s 66 Dayton-Hudson 521s 5154 26 Am. Guasar Pet 3714 36 Detta Air 51 503s 2014 1956 Am. Standard 71 6814 2854 2854	Husky Oil	A. Am. (Philips. 355s 357s Starling Drug	501g 491g 1814 187g 197g 203g 265g 255g	about \$190m in stock. Pillsbury picked up 4 to \$417 after reporting higher first- inter	ulation that it may become bias ke-over target. There have To rumours that Chinese Ave rests were buying shares to hiel	s on balance. he Nikkei-Dow Jones I have attained a new all-time the of 7 048 76 before ending	nan were firm at A\$12.50, but imperor, after the recent psurge, lost 15 cents to A\$3.95. A shortage of first-class scrip
** AMP	iti in' 2314 25 MM ideal Basic Ind. 2712 2714 MM ideal Toy 558 514 MM ideal Toy 914 918 MM ideal Toy 918 MM ideal	rest Arrines 2014 274 Stokely Van K rest lads	191 ₈ 1858 501 ₂ 4678	higher net for the year. Procter and Gamble receded 11 to \$773. Actively-traded 1BM	more control of Jardine. a n Land added 20 cents at 7,03 17,70. still	nodst 4.33 up on the day at 19 35,84. The Tokyo SE index was S	n London was a booster for tocks like MIM, CRA, Utah, Bougainville and BHP. With the end of Asarco take-
Reparted Inda	INCO	714 4612 Super Val. Strs. 1654 1658 Syntax Syntax den. 44 4312 Taw	3212 32 5514 5412 5014 4878 301a 3014	724,000 shares, including a block pron of 340,000. THE AMERICAN SE Worker distri	npted by the approach of the noon Percy, which could sect upt tradin gtoday and leave. A	close on the First Market of tion by 393 to 280. Imong Light Electricals, Sony,	ver rumours, MIM was priced in the strength of its silver interests once again, as was aberfoyle. MIM closed at A\$6.00
Domestings	InterNorth 28 32 10 0h	iny + Math. 30 1854 1836 1836 1846 1846 1846 1846 1846 1846 1846 184	82 ig 79 i4 199 i ₂ 186 64 s _d 62	at 343.14 at noon after an early 2.90 rise. Volume 4.63m shares	nk interest fixing meeting on thir rday. adv. K Bank put on 30 cents to TO	d-quarter performance, franced Y.50 more to Y3,490, f K added Y30 at Y3,120 and	or a 10 cents gain, while Aberoyle moved up 30 cents to 159.10. Bougainville put on
Asprop. 461s 481s Dresser 7714 763; 3956 Dr. Pepper. 147g 141s 1756 171s 171s 171s 171s 171s 171s 171s 171	Int. Income Prop 1012 1014 Out Int. Multifoods 1978 1979 Out Int. Paper 25 243 Ow	beard Marine 144 134 Tesora Pet 3712 Texaco	237g 243g 35 347g k 563g 557g 714 711g	Dome Petroleum shed 21 to HKS \$681 and Crestmont Oil \$2 to 40 co	17.80, Hutchinson Whampoa Alp ents to HK\$13.10 and China Plot it 50 cents to HK\$21.50, but Y50 Wharf shed HK\$2 more to sam	neer Electronic relinquished 6 to Y2.410 and Victor the U	O cents to A\$:2.50, and CRA cents to A\$5.46, Coal issue Jtah 14 cents to A\$5.70 and North Broken RH 10 cents to
2414 2418 E G & G	lows Beef 445g 445g 47g 47	3614 Texas Instrmts 3614 Texas Instrmts 3614 Texas Oli & Gas 224 2254 Texas Utilities 2214 Texas Utilities 2144 Texas Ut	1351g 1301c 587g 583g 171g 171g 171g 511g 511g	Canada G	92.50. N	Ailan Stock prices were sharply	Johannesburg
- Seker intl. 41% 534 Eastern Agrines. 35, 94; - Seker intl. 41% 534 Eastern Agrines. 25 6 - Bajt. Gas & El. 22% 23% Eastern Rodak. 5512 6412 - Bancal Trist. 2913 50 Eaton. 34 34 - Blangor Punta. 2719 28% Echlin Mig. 1578 1514	Jawel Cos	2. Lumber	275g 2614 387g 365g 49 4734 5534 5414	session. The Toronto Composite spur. Index eased 3.3 to 2,339.9 at mid-	iter an early buying spree, high red by the overnight Wall new et upsurge, Bourse prices ing	her in the first session of the wonthly Account, with trad-	Golds closed mixed to easier fter fairly low volume. Heavy- veights were around 50 cents ower, while Mediums and Light-
Bank America	Johnston Logan. 117s 12 Pai Joetans. 234e 23 Joy Mfg. 531e 535e Pai K Mart. 224e 221e Pei	1 Mand. Pipe 3012 634 Time Inc	6134 6038 4514 44	Closing prices for North Bund	t with an easier appearance ord balance until news of the Ital lesbank's surprise decision to a p	ers. The Banca Commerciale values index rose 4.31 to 134.38, to 1980 high.	veights mainly shed between 10 o 50 cents, but some issues cored gains of up to 50 cents.
Baxt Trav Leb	Kaiser Steel	nnwait. 3012 2978 Tipperary	2514 25 2479 24 2412 2468 19 1818		from a previous 9.5 per cent. larg	Demand was focused on the ge Industrials and on issues to AUSTRALIA	JAPAN (continued)
Sell Industries 135g 1554 Enserch 4314 44 59 150 150 150 150 150 150 150 150 150 150	Kellogg	rkin-Elmar	2578 2654 1814 18 4556 4356	Sapt Sept. Sept. Sept. 18	Price + or Sept. 18 Price Frs Sept. Frs Sept. 18 Price Frs Sept. 18 Price Frs Sept	Sept. 18 Price - Aust. 8 Sept. 18 ANZ Group	For Sept. 11 Price + or Yen Kubeta Kumagai 448
Big Three inds 6114 6186 Ex Cell 0 4114 4014 Black & Decker 2219 22 Exxon 6958 6958 Black HR 3114 3026 FMC 2578 2514 Black Bell 3118 3119 Faherja 1378 1314	Kimberley-Cik	ie, Elect		Agnico Eagle 2034 2058 Soc Gen Bang Aican Alumn 4434 425 Soc Gen Beng Algoma Steel 3714 3634 Sofina Sofina 2014 So	7 2,355 +20 Aheld 8 9 1,282 -18 AKZO 8 1,345 -20 Aheld 8 2,545 -20 Aheld 8 2,535 -5 Aheld 8	59.5 — 0.3 Alistate Expl 2.30 11.9 — 0.1 Ampol Pet	-0.01 Lion
Boeing	Kraft. 475g 4714 Pit Kroehler 55g 61g Pit Kroger 214 215g Pis LTV 131g 125g	nay-Sowes	631 ₂ 623 ₄	Bk Montreal	1,244 +24 Bredero Cert 19 724 -4 Bos Kaiis Suchrmann-Tet Suchrmann-Tet Galand Ridgs 2	Aust Electric 1,45 Aust Electric 2,70 Aust Electric 2,70 Aust Paper 2,12 25.7 -0.1 Rent MSW 3,05	-0.05 Marvial
Briggs Stratu. 273s 2712 Fed. Resources 9 9 9 5534 Fed. Dep. Stores 561s 561s Fed. Dep. Stores 561s 561s 561s Fed. Dep. Stores 481s 2934 281s 561s Frestone 87s 87s 87s	Lanier Bas. Prod. 3914 3856 Por Lear Siegier 5014 2914 Pro	aroid	35 343 ₈	Bow Valley	Enris 13 Euro Com Tst 67	85.5 —1.5 Sigs Metal 2.10 2.65 7.50 Beral 3.10 2.65 3.10 2.65 8.70 2.50 8 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	+0.01 M'bishi Bank 420 +2 M'bishi Corp 700 +9 M'bishi Elec 214 +4 +0.10 M'bishi Ri Est 409 -6 -0.10 MH 1 188 +2
Brown Forman B 527s 55 1st Charter Fin 191s 181s Brown Grp 343s 351s Brown & Sharp 331s 345 Browng-Ferria 251s 243s 1st Chicago	Lavi Strauss 5914 38 Pu Lavitz Furntr 285g 281g Pu Libby Owens Fd 253g 251g Pu Liggett Group 685g 685g Pu	o. S. Indiana 2054 2059 Univoyal	578 578 1578 1512 44 4578 458 4512	Cadillao Fairy 283; 281; Camto Minea 441; 451; Can Gement 127s 13 Can NW Lands 27 27 Baltica Skand Burm & Wain	Kroner	14.2 +0.2 Bridge Oil	+0.21 Mitsui Co
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Campbell Red L	Lucky Stra	hyas Bros	65 65 2918 2918	Chieftain	er 115 +1 RUn-Scheide	49.8 +0.5 Gestain 3.05 87.5 +1.5 Greader Off 9.90 96.3 +0.3 Billion 9.90 Billion 9.90 1.75 Billion 9.90	Misshin Stesi
Can. Pacific 441e 445e Freeport Mini. 655e 64	MacMillan	2912 3912 175e 175e 175e 175e 175e 175e 175e 175e	481 ₈ 4314 H. 2814 27	Costain	483 Royal Dutch 17 126.75 -3.25 Royal Dutch 17 Slavenburg's 206 Tokyo Pac Hg 17	72 +1 Hartagen Energy 5.70 24.8 +2.1 Hooker 1,13	-0.05 Pioneer
Carter Hawley 2112 2176 GK Technologies 44 457a Gelanesc Corp 55 5414 Geloc, 4234 427a 4234 4234 4334	Marathon Oil 573 58 Res Marine Mid 184 181 Res Maries 332 3374 Res	noids (RJ)	6 5478 554 154 15 6218 614 2138 2078	Dom Bridge	18 Price + or Viking Res	17 +0.5 Q Aust	0.02 Sakisul Prefab., 746 +6 +0.50 Sharp
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Chessie System 2312 Gen Reinsce 6012 6014 6015 6014 6015 6015 6014 6015 6015 6015 6015 6015 6015 6015 6015	Maytag	wan 4114 4114 Weyerhaeusar. val Grown 1644 1718 val Outch 8834 8812 blermaid 28 28 Wheeling Pitts. usell Stvr 1578 1578 Whiripool	4814 4818 19 1848 2214 2176	do, Oil & Gas. 5214 5254 BSN Gervals. Husky Oil. 1756 1756 Carratour 1119 1119 Clab Mediter. 186 2712 SEE	1,721 -28 Basca Gorrie25, 1,721 -28 Bastogi Fin	010 +465 Offer Exp	+C.16 Tokio Marine
Cincinnati Mil. 521s 501s Genuine Parts. 283s 284s Citicorp. 224s 223s Georgia Pag. 28 261s 261	McDonnau Doug. 3514 3518 Ryc McGraw Edison. 3012 2578 SFI McGraw-Hill 3514 3536 SFI	n Homes 285g 2812 White Consoltd Ser System 28 261g White Motor 281g White Consoltd White Motor 281g White Consoltd White Motor 281g White White Motor 281g White	35a 31g	Imp Oil A	775.5 +2.5 Frat	190 +100 Par Pacific 0.53 93 +6 Pioseer Conc. 2.50 180 +230 Queen Marg't G. 0.72 550 +560 Reckitt & Coin 2.40 50 +6 Santes 14.00	+0.55 Toshiba 211 +5 +0.15 Tokyo Corp 224 -1 +0.82 TOTO 482 +1 Toyo Selkan 598 -2 +0.10 Toyota Motor 789 -6
City Invests	Mead	eway Stores 3318 33 Winn-Dixle Str Joe Minis 67 65s Winnebago Louis-San F 8314 83 Wisc Elec Power Paul Cos 3934 895s Woolworth	315g 311g	Kalsar Res	236.5 -1.6 Onyetti 22 39.8 +1 Pirelii Co 22 905 +5 Pirelii SpA	66 +4 Sielgh (H.C.) 1.50 570 +90 Southland M'n'g 0.60 735 +34 Spergos Expl 9.88 990 +29 Thos Ratwide 2.55	+0.63 Vietor 8,000 -50 Vietor 750 +5
Coda Cola	Memorex	tta Fe Inds 593, 6778 Wyly	175g 1634 637g 627g 19 1834 6014 585g	Meriand Explor 912 958 Ferodo	tal . 548 +5,5 do. do. Priv. 99 -2.5 Toro Assic. 14,	725 +4 Otah Mising 5,70 690 -1860 Vallant Consdt 1,15xr 499 -1891 Waltons 0,77 Western Mining 6,06	+0.82 Yokesawa Bdge 635 +0.05 SINGAPORE -0.01
Cott Inde 48 4612 Srainger (WW) 34 3556	main system sort sort sort	ering Plo 45 4354 Zenith Rad	1734 1759	Noranda Mines 51 51 51 51 51 51 51	11 56.5 9.980 +300 NORWAY 840 -10		+0.85 Sept. 18 Price + or s
Indices				Pacific Cooper 4.15 4.10 Mostinax 89 89 Paribas Patino 243, 243, Pachino 29 2712 Paripad Many 29 2712	67.5 -1.6 Kro 260 +0.9 Bergene Bank. 10 d 341 -3 Borregaard 10	mer -	DBS 5.25 -0.05 Freser & Neava 5.90 -0.02 Haw Par 2.378 -0.02 Inchcape Bhd 5.70 -0.02 Maisy Banking 5.40
	Since Cmpil't's High Low	Sept. Sept. Sept. Sept. 19 19 19 19 19 19 19 1	Low	Ranger Oil	199 -5 Elkem - 7 246 +1,6 Kosmos - 7 529 -5 Norsk Hydro - 60 445 -18,1 Storebrand - 11	75 —2 Ocermo Prop. 2.45 25 — Cross Harbour 10.60 1 +3.5 Entre Asia New 6.20	Malay Brew 5.45 -0.05 OGBC 12.80 -0.19 Pan Elect 2.60 +0.08 +3 Sime Darby 5.52 -0.92 Straits Trig 7.50 -0.20
** Pindustr'is 951.28 945.96 937.85 958.52 941.80 938.48 868.72 (15/8) 11 me B'nds 68.22 98.14 98.98 99.15 69.82 69.49 78.51 (25/6) (25/6) 78.51 78.51 78.52 99.49 78.51 (25/6) 78.53 98.5	1861.79 41.22 Sydney All Ord. (193	8/3916570.16(5505.75)8409.81(5487.01) 6680.86 (14/2)	780.08 (2/1) 4581.25 (22/6) 86.58 (18/8)	Royal Bank	I 251 -2.1 125,1 -0.7 +12 -1 311.5 -0.5	HK Kowloon Wh. 92.50 HK Land	2 UOB 4.54 -0.06 +3 SOUTH AFRICA
Tradisport	(17/8/80) (8/7/82) 165,52 10.52 (28/4/93) (28/4/42 Belgian SE (51/12/65)		90.14 (61/6)	Steel of Can A 361 ₂ 353 ₄ Thomson Bra Teck B	ASA Kro	Jardine State. 25.30 New World Dev. 5,70 O'seas Trast Bt. 6.45 10 -3 SEK Props. 15.40	+0.9 Sept. 18 Price + or Rand
200'st 65,886 57,280 44,830 47,180 44,770 51,488 — — — — — — — — — — — — — — — — — —	DENMARK Copenhagen SE (I/I FRANCE CAC General (29/12/	51) 112.5 112.5 112.9 115.4 117.9 (22.9)	74.79 (6/6)	Toronto Dom Sk. 805a 80 Transaan Pipe 223a 2212 Trans Mnth Oil A. 147g 15 Vid Siscoe Min ea 22 213a Vid Siscoe Min ea 22 213a Vid Siscoe Min ea 22 213a AES-Telef	Price + er Atlas Gepoe	6 +1 Wheel'k Marth's 5.25 9 -0.5 TAPAN	+0.85 Anglo Am. Op. 21.10 -0.85 Anglo Am. Gold 134 Barlow Rand 11.55 +0.18 Buffels 63.5 -0.05
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Sept. Sept. Sept. Sept. Sept. Sept. High Low	Singe Cmpil't' Commerzbank (Dec HOLLAND HOLLAND ANP-CBS General (I ANP-CBS Indust. (IS	970) 85.5 85.6 85.8 85.1 88.0 (25/7)	74.8 (27/5) 58.2 (28/5)	BRF-Bank BMW Brown Bover Commerzban	202 Saab-Seania 7 160 -0.3 Sandvik 12 1. 290x Skandia 26 16. 163.1 -1.8 Skan Enskilda 12 18. 18. 18. 18. 18. 18. 18. 18. 18. 18.	0 Anada 532 81 +1 Agai Glass 435 47 +1 Bridgestona 531 9 -1 Canon 855	+4 Gold Fields SA
Sindust is 148.41 145.88 142.67 142.57 142.71 141.64 145.41 171.98 (27/7) 142.67 142.6	(17/6/80)(18/6/82 128.87 4.88 HONG KONG (17/8/80) (1 5/87) tar ago (approx TTALY	77/84) 1256,76 1244,85 1222,95 1250,75 1255,78 (18/9)	758.9 (18/5)	Sept. 18 Price + or D'sohe Baboo	10.1 91.1 91.1 91.1 91.1 91.1 91.1 91.1	03 Dajei 710 B.5 —0.5 DKBO 402 5.5 —0.5 Dal Nippon Ptg 560 5.5 +0.6 Daiwa House 390 2,50 — Daiwa Selko 323	Nedbank 6,65 +0,05 18,25 1
Ind. div. yield 2 4.69 4.64 4.73 Ind. P/E Ratio 8.62 8.51 8.34	5.05 12.92 Bance Comm. Ital (JAPAN Dow Average (165N) Tokyo New SE (4/14)	1572) 154.58 130.67 150.61 151.71 154.58 (18/5) 8) 7055.84.7051.517020.16 (c) 7058.84 (18/5) 8/ 485.76 486.1) 485.58 (c) 488.70 (18/6)	85,11 (2/1) 8476,95 (27/5) 448,01 (10/5)	Greditanstait 536 Deviache Bar Landerbank 536 Dradner Bar Parimoser 270 Dryck Zement	185.5 + 5.3 167 + 1 184.6 + 0.6 137 + 0.6 309 + 0.6 SWITZERLAND	Ebara 576 Eisat 1,110 Fuli Bank 418 Fuli Film 745	-3 Sage Hidgs
8ept 17	9.11 ss and Falls NORWAY Nobel 16 Sept. 15 Oalo SE (1/1/72)	128,55 128,02 128,16 122,87 144,70 (14/2)	110,12 (28/5)	Stayr Daimler	73.9 +0.4 112.6 -0.5 12.6.7 +0.3	Fujitsu Fanuc	+10 TigerOsts 17.00 17.0
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New Lows	980 SPAIN Madrid SE (28/12/75)	110,25 111,05 111,17 (a) 111,17 (18/8)	95,76 (15/6)	Kleeckner Krupp Frice + er Linde Lufthass	42.6 Fischer (4ec) Hoff-RochePtCts 71, 321 +1 Hoff-Roche 1/10, 7, 72.5 +0.5 Interfect 5, 188 5 0.6 S Leimel	360 Itoh (C) 405 10-Ham 520 1,050 800 25 JACCS 528 485 +5 JAL 2,380 1,050 508 1,050 508 1,050 508 1,050 508 1,050 508 1,050 508 1,050 508 1,050 1,05	-1 Gruz16 Acesita
Industrial 557_23 535,82 594_71 585.84 425,89 (26/2) Combined 771.98 568.65 368.28 576.55 578.95 (26/2) TORONTO Composite 2845.2 2829.8 2.319.1 2357.8 2548.2 (17/9)	722,21 (27/8) SWEDEN Jacobson & P. (1/1/8) 1782,5 (27/8) SWITZERLAND SWITZERLAND Swies Replicate (2/1/8)	8) 552,45 551,58 559,99 551,25 588,95 (8/2) 2,683 518,5 518,8 518,2 518,2 511,1 517,5 (11/2)	554,72 (17/1) 278.8 (25/6)	Bang Int A Lux 5.000	3, 298.5) -2 Oar-Suhris	920 +20 Kashiyama 515 Kikkoman 380	Belgo.Min
NEW YORK ACTIVE STOCKS Change Wednesday, Stocks Closing on Stock	Change Copital Intl. (1/1/74)		278,8 (25/8) 126,5 (27/8)	Electrobel 5,570 80 Rhein West Signal Fabrique Nat 2,900 Rhein West Signal Rosenthal Rosenthal Rosenthal Rosenthal Rosenthal Rhein Rosenthal Rhein Rhe	281.5 Schledler(Pt Cts)	375 Kirin 418 478 +2 Kekryo 1,070 576 Komatsu 576	Vale Rio Doce 11,00
traded refee des traded	d price day 10 40 + 1	sil indices are 100 except NYSE All Commo i Toronto—1,000; the last named based on 19 striets, 5 400 industriate plus 40 Utilities, 40	75. † Excluding	Gevzert 1,256 Thyssen Yerts 1,450 - 5	i ROS States Palmana 7		+14 Source: Rio de Janeiro SE. This page are as quoted on the are last traded prices. S Dealings and, we be sorip issue, or by rights.

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WORLD VALUE OF THE DOLLAR Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednasday, September 17, 1980. The Exchange rates listed are indicative. They are not based on, and gre not intended to used as a basis for, perticular transactions.

Bank of America NT and SA does not undertake to trade in foreign currencies, and neither Bank of America NT and SA nor the Financ currency units per one U.S. dollar except in certain specified areas. All rates

COUNTRY GURRENG	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan Afghani (O)	44.00	Greenland.	Denish Krone	5,50	Papua M.G	Kina	0,6538
Albania Lek	4,2251	Grenada	. E. Caribbean \$	2,7025	Paraguay Peoples D. Repub	Guarani	137,30
Algeria Dinar	3,8325	Guadaloupe Guam	Local Franc	4,1405	Peoples D. Repub		
Andorra French Fran	c 4,1405 sta 78,535	Guatomaia	, U.S. 3 Onetzai	1.00	of Yemen	. S. Temen Dunzr Soi	0.3415 293,94
Angola Kwanza	27,627	Guinea Bissau	. Peso	35,249	Philippines	Ph. Peso	7,5745
l Antiqua E. Caribbean S	2,7025	Guines Republic	. Svli	18,6537	Philippines Pitosim Islands	NZ S	1,0134
Argentina Argentine Pes Australia Australian \$	1916.60	Guyana	. Guyanese \$	2,5798	Poland	Zioty (O)	81,00
Australia Australian \$	0.8546 12,51	U_U	Countie	5,00	Port Timor	, rurt. escudo Timor Fedudo	49,67 8.4
Austria Schilling Azores Portug. Escud	49,67	Halti	, tempira	2.00	Puerto Rico	U.S. \$	1,00
Bahamas Bahamian \$	1.00	l Hong Kong	. H.K. 3	4.9435			. 3.678
BahrainDinar	0,3778	Hungary	, Forint (O)	32,6022	Qater		
Bahrain	73,335	Janland	I. Krons	612,50	Reunion lie de la	, Frence Tranc	4,1405 4,47
Bangladesh Taka Barbados Barbados \$	14.7248	Iceland	Ind. Rupes	7,72	Rwanda.	Rwanda Franc	92,84
B. Franc (C)	28.57		. KUDIAN	525.00			2,7025
Belgium B. Franc (C)	28,815	Iran.	; Rial Ima Maar	70,00 0,2958	St. Christopher St. Helena	Pound*	2,3905
Belize Belize \$	2.00 207,025	iraq Irish Republic	Iraq Dinas Irish Punt ^y	2,1175	i St. Lucie	. E. Caribbean F	2,7025
Benin	207,025	Para	. ISEBULI PUUINA 179	56,14	St. Pierre.	. Fr Franc	4.1405
i Bhutan Indian Rubee	1,00 7,72	Italy Ivory Coast	. Line	848,15	St. Vincent Samoa American	E. Caribbean F	2,7025
Bolivia Solivian Peso	25,00	Ivory Coast	. C.F.J. Franc	207,025	Samoa Autencan San Marino	tulian Ura	1,00 848,15
RotewandPula	0,7808	Jamaica	. Jamaican Dollar	1,7835	Saudi Arabia	. Saudi Rival	3.3198
Brazil Cruzelro Brit. Virgin Isles U.S. 5	56,64 1,00	i Janun	. Үел	211,47	i Sanagal	. C.F.A. Franc	207.025
Brunel Brunel 3	2.114	Jordan	Jordan Dinar	0,291	Seychelies	, 5. Rupee	5,5762 0,8366
l Bulgaria Lav	0.879	Kampuchea	Diel	n.s.	Sierra Leone	, Leurje Singepore 5	2,114
Burma Kyat	6,7271	Kerwin	. Kenys Shiffina	7,2997	Singapore Solomon Islands	S.1. \$	0.8546
Burundi, Burundi Franc	90,00	Korea (Nth)	Won	0.94	i Somali Republic	Som. Shilling	6,0341
CamerounRepub'c C.F.A. Franc	1 207,025	Korea (Nth) Korea (Sth) Kuwaif	. Wan	804,00	South Africa	, Rand	0,7539
Canada Canadian S Canary Islands Spanish Pesati	1,1558	Kuwait	KUWAIT VINEE	0,2672	Spain Spanish Ports in	Percul	73,355
Canary Islands Spanish Pesst	73,355	Lao P'pis D. Rep	Kin of Lib.	16.00	North Africa	Sp. Pessta	75,356
Cape Verde Isle Cape V. Escud Cayman Islands Cay. Is. S Cent. Af. Rep C.F.A. Franc	o ; 36,51 0,835	Lebanon	Lebanese Pound	5,428	Sri Lanka Sudan Republic	S. L. Rupes	16,92 0,50
Cent. Af. Rep C.F.A. France	207,025	Lesotho	Loti :	0.7559	Sudan Republic	Pound (2)	0,50
I Chad G.F.A. Franc	207.0X6	Liberiz	Liberian 3	1.00 0,2961	Sudan Republic	. POURG (1) S. Criider	0.80 1.80
Chile Chilean Peso (China Renminbi Yuar	0)	Libya	Swice Franc	1,6305	Swaziland	Lilangeni	0.7589
Colombia Col. Peso (0)	47.70	Lischtenstein	Lux Franc	28.57	[Sweden,	5. Krone	4,149
Comoros Islands C.F.A. Franc	207 025				Switzerland	Swiss Franc	1,6305
Congo Brazavilles. C.F.A. Franc	207,025	Macao Madagascar D. R.,	Pataca	5,305	Syria	Syria Pound	3.9262
Costa Rica Colon Cuba Cuban Peso	8.57 0.707	Madagascar D. H.	Portuguese Escudo	207,025 49,67	Taiwan	New Talwan (O)	36.00
Cyprus Cyprus Pound	0.3513	l Majawi	Kwacha	0.7981	Tanzania	Tan Shilling	8.1898
Czechoslovakia Koruna (O)	5,50	Malaysia Maldive islands Mali Republic	Ringgit	2.117	Thaliand Togo Republic	Baht	20.50
Dem, Rep.S'oTome	j	Maldive Islands	. Mai Rupes	3,93	Togo Republic Tonga Islands	C.F.A. Franc	207,025 0,8546
& Principe S. Tome Dobra	34,1936 5,50	Mali Republic	Mair Franc	414,05 0.3426	Trinidad & Tob	Trin. & Toh S	2,4063
Denmark	175.277	Maita Martinique	Local Franc	4.1405	Tunisia	Tunisan Dinar	0.3985
Dominica E. Caribbean 9	2,7025	Mauritania	Ouguiya !	41,405	Turkey Turks & Calcon	Lira	80.00
Dominica E. Caribbean S Dominican Repub. Dominicn Peso	1,00	Mauritica	M. Rupes	7,5566	TUTICS & CAICOE	U.S. &	1,00 0,8546
Ecuador, Sucre	28,10	Mexico Miquelon Monaco	Mexican Peso	22,99 4,1405	Tuyalu		. 2,0240
Egypt Pound (3)	0,69	Monaco	French Franc	4,1405	Uganda United Arab Emir	Ug. Shilling	7,2997
El Salvador Golon Equatorial Guinea Ekuele	2,50 73,355	I Mongolia	Tugnik (O)	3,3555	United Arab Emir	UAE Dirham	3,688
Ethiopia Birr (0)	2.0855	Montserrat	E Caribbean S	2,7025	United Kingdom	storling	2,3905 207,025
	6.50	Morocco	IRMAN I	3,8496 28,3204	United Kingdom Upper Volta Uruguay	ura, riang Unis, Peso	9,38
Faroe Islands Danish Krone Falkland Islands Falkland Is. 20	2,3905	Mozambique		0.7539	U.S.S.R	Rouble	0,643
Fiji Islands Fiji S	0.8061	Namibie Nauru Is	Anna C	0.7559			
Finland Markka	3,636	Neosi	Manalesa Runaa	12.00	Vanuatu	Alist. 3	0.8546 66,9118
France French Franc	4,1405	Netherlands NetherlandAntilles	Dutch Guilder	1,9365	Vanuatu* Vatican	rna (2) Ballan Lira	848.15
French C'ty in Af C.F.A. Franc French Guiana Local Franc	207.025 4.1405	NetnerlandAntilles	Antillian Guild	1,80	Venezuela	Bolivar	4,2957
Franch Pacific Js., C.F.P. Franc	73,6248	New Zealand	Cordoba	1,0134 10,00	Vietnam N	Dong (O)	2.18
Gabon C.F.A. Franc	207.025	Nicaragua	C.F.A. Franc	207,025	Virgin Islands U.S.	U.S. \$	1.00 2
Gambia Dalasi	1.6733	Nigeria	Naira (O)	0.5443	Western Samoa	Samoan Tala	0,8795
Germany (East) Ostmark (O) Germany (West) Deutschemark	1.7812	Norway	Norw'g Krone	4.819	Yamen	Rial	4.57
Germany (West) Deutschemark	1.7812	S SUM	Mai Count	D 7456	Yugoslavia	New Y. Dinar	27.55
Ghana Gedi Gibraltar Pound *	2,75 2,3905	Oman,Sultanate of	RIAL UTIGITE	0,3456	Zaire Republic		1,9766
Gilbert Is Kiribati	. 0,8546	Pakistan	Pkst. Rapes	9,91	Zambia	Kwacha	0,774
Greece Drachma	42.475	Panama	Balboa	1,00	Zimbabwe	Zim \$	0,6935
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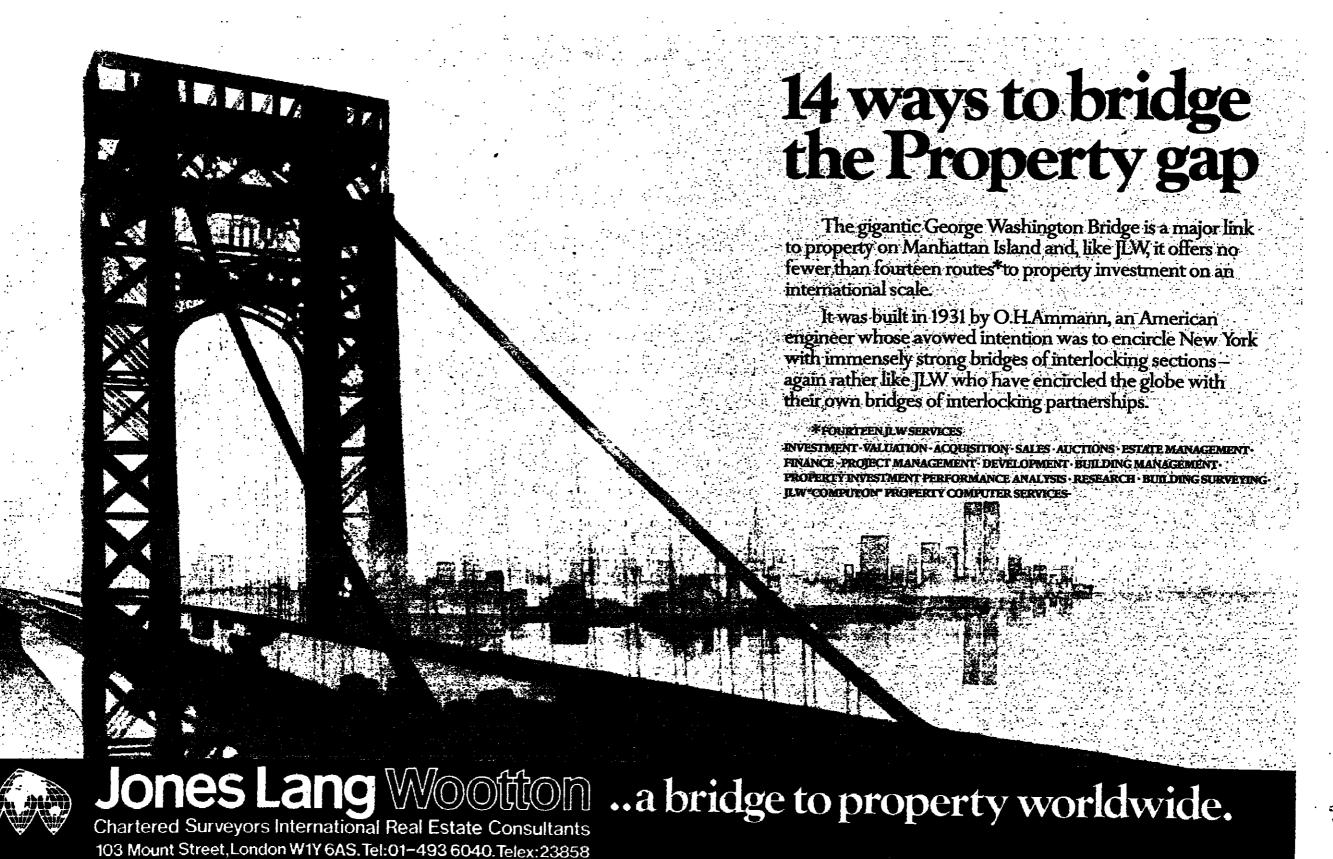
n.e. Not evallable. * U.S. dollars per National Currency unit. (O) Official rate. (C) Commercial rate. (F) Financial rate.

1) Sudan—Official rate for specified exports and imports. (2) Sudan—Official rate for all transactions except specified exports and imports.

(3) Egypt—A different rate applies to certain transactions with non-life countries.

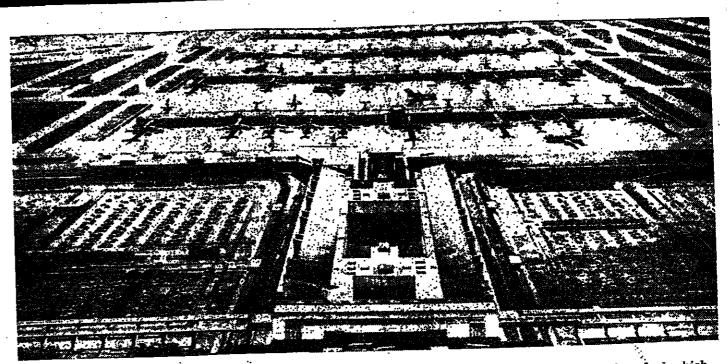
(4) Israeli Government are changing their currency to Shekels. However dealers are currently quoting in pounds.

(5) New Labridge 20/7/2019 now need Vacuum and Vacuum.



Georgia

In a region of the U.S. where every State claims to be booming, Georgia is doing better than most. Furthermore, its role as the communications hub of the south-east was underlined by the opening in Atlanta, yesterday, of what is said to be the world's largest air passenger terminal.



Opened yesterday-Atlanta International Airport's new passenger terminal, described as the largest complex of its kind in the world, with a capacity for handling 55m passengers a year. The complex is

just a mile away from the original terminal which accommodates 42m passengers a year, making it the second busiest in the world. Passenger traffic increased last year by 14 per cent

State's symbols success By David Lascelles

GEORGIA, FAMED abroad for a White House incumbent, peamuls, and Scarlett O'Hara, pre-sents a somewhat different image from the millions who actually go there for business or pleasure, or simply to change planes (which is what thousands have to do every day, whether they like it or not).

Today, Georgia prefers to be known for its booming economy, its concern for peaceful race relations in a region still liable to explode in rioting, and its growing international links. Eschewing the peanut connection, Georgia also prefers to

(5.22

100

Rich though Georgia's past may be, most of the talk these may be, most of the talk these days in government halls, corporate suites and out in the mushrooming suburbs, is about where Georgia goes next: who is building what, which company is planning to move in—all conducted in tones made famous by President Jimmy Carter, a drawl that transforms a phrase like the City of Atlanta a phrase like the City of Atlanta into the siddy of Adlanna.

Inevitably, the link with the Carter administration is strong. The State Governor, George Busbee, is a Carter Democrat. and the White House is heavily staffed with Georgians. But Georgia makes little of this in its everyday discourses. If anything, prominent businessmen and politicians try to dispel the that their State has enjoyed any special favours.

The best thing President Carter did for us was tourism," commented one of them, referring to the millions of curious sightseers who have made the

be known as "The Peachtree pilgrimage to Plains in the State," a name which evokes last few years. Others add that much of the good Mr. Carter both its gentle countryside and the bustle of Peachtree Street in Atlanta, its capital, where concrete and glass towers have come to symbolise Georgia's new place in the world.

State," a name which evokes have much of the good Mr. Carter did for Georgia by putting it on the map was undone by other prominent Georgians, such as Bert Lance and Billy Carter. Mr. Carter is also wary of the charge of favouritism, Carter. Mr. Carter is also wary of the charge of favouritism, judging by his acquiescence to proposals to end Federal subsidies for the hard-pressed

Philosophy

peanut industry.

Underneath it all, one suspects that Georgia shares the American philosophy that all publicity is good publicity, particularly if it brings in business, which it has on an unprecedented scale.

In a region where every State claims to be booming, Georgia is doing better than most. It may not match Texas, but then it has no oil and gas. And if the pace has been slower than Florida's, Georgia does not for the time being, at any rate—aspire to being a major tourist resort, nor is it yet as well-equipped as Miami for the burly of international trade and finance.

But Georgia compares favour-

such as the Carolinas, Alabama and Mississippi, many of which are still hobbled by old fashioned industries, and none of which have been able to match Georgia's role as the communications hub of the south-east, a role which is underlined by yesterday's opening of the huge new terminal at Atlanta Airport, one of the largest in the world.

Harmony is a word one hears a lot, whether to describe the common aspirations of business and Government, or relations between Whites and Blacks, who make up half of Atlanta's population. It may be over-used, but it comes as a jolt t hear it at all in a country where most of the talk is about social tensions, industrial decline, and the gap between government and gov-

Modern-day Georgia is still sufficiently young for its various constituencies to have common goals. The economic boom owes a lot to the consensus between business and the State capitol on the need for as much investment and as little government as

This consensus, which goes back several governorships and has become something of a tradition, is being fostered by Gov. ably with other nearby States, Busbee, a lean and active poli-

tician who spends much of his time winging around the world, wooing investment. He claims have raised about \$1.5bn abroad, and considerably moe at home. Apart from drinks and Georgia has not tobacco, increased any important tax rates for 20 years, another matter of some pride in the State capital.

Down at the port of Savannah, the trade volume is among the fastest-growing in the U.S., an indication of Georgia's increasing links with points beyond its borders. About 450 foreign enterprises have set up offices or industrial facilities in Georgia, and a lot of farmland has passed under foreign control-something that alarms local farmers, though Gov. Busbee has managed to head off demands for an outright ban on foreign ownership along the lines of recent legislation passed in

The economic going has not always been smooth, though. Georgia got carried away by the early 1970s, and came a heavy cropper in the last reces-sion, mainly because the construction industry was badly over-extended. It has been careful not to repeat the mistake

But even as the fruits of has been trying to repair the rooms thousands of miles from for. this time round.

prosperity piled up, the call was damage to its image wrought made for a fairer distribution between Black and White. Although Atlanta features a over the past couple of years rare thing for urban America, a rarething for urban America, a Riack tive convention business. The relatively prosperous Black suburb, there was still a strong enough wave of discontent early in the 1970s to sweep to power the city's first Black mayor, Maynard Jackson, who is now approaching the end of his second — and last — term.

Minorities

Mayor Jackson claims flatly: "We have the best race rela-tions of any major city in America." But he has actively practised what he calls "the politics of inclusion" to draw minorities into public affairs.

"Previously, there were only two chairs at the table of Government, the city and big business. Now we have the minorities, women, the senior

minorities, women, the senior citizens and others, too."

He has also channelled more business the Blacks' way, particularly contracts for the new airport. This has irritated the local business community, but Manne Leckens insists that but Mayor Jackson insists that what he is doing is truly prac-

help check that tendency.

over the past couple of years and threatened to kill the lucra-tive convention business. The City and State Governments launched a joint offensive which has reduced the violence and choked the jails.

"Be a crime fighter, not a statistic," urges a large sign at the entrance to City Hall, where security experts offer advice on crime prevention.

But the crime scare is one of the few blots on a landscape that looks remarkably healthy. even by sunbelt standards. In a State that extends from the Appalachian Hills down to the elegant period streets of Savan-nah, there is a striking sense of purpose which is bringing prosperity and, as yet, relatively few of the problems that clutter life further to the north. Atlanta may eventually find itself "the hole in the doughnut," as business and people move out to the suburbs, although a brand new rapid transit system (itself touted as an example of how well Georgia can cope), should

The economy is also vulnertical and also morally right. The economy is also vulner-At the same time, City Hall able to decisions taken in board-

CONTENTS

The economy: Atlanta show few signs of recession

Political dichotomy of 'the

Peachtree State Considerable strength in the

financial community

Encouraging trends in industrial investment

Property sector recovering

Agriculture still Georgia's biggest industry

Crops hit by drought

Trade unions unpopular Impressive developments in

transport network New air terminal

its borders. On the other hand, some corporations have been sufficiently impressed to move their headquarters to the State _probably as good a recommendation as anyone could wish

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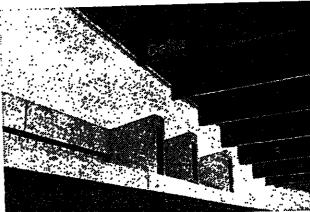


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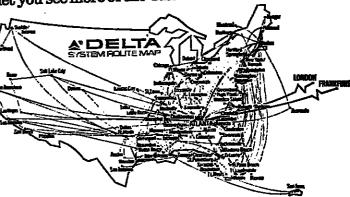
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The state of the s



DELTA IS READY WHEN YOU ARE®

Atlanta shows few signs of recession

GEORGIA has not been immune to the recession which has swept the U.S. this summer, but it has certainly not suffered as badly as some of the older industrialised states in the north and east. Indeed, the decline has been somewhat more shallow and unemployment more mild than the national average.

Strolling through downtown Atlanta, with its busy construction sites and gleaming office blocks, one would be hard put to imagine there was a recession at all. A stroll through the centre of Dalton, 100 miles to the north-west, might tell a different story: the "carpet capital of the world" has borne the brunt of the slump in homebuilding, and is anxiously awarting the recovery.

Georgia skirted the worst of

the recession, thanks partly to the dynamism it developed over the past 10-20 years, an era in which it rode the sunbelt boom as money and people deserted the chilly, decaying north for the warmth and open spaces of the south. But it also owes something to the State's economic profile: its relative lack of dependence on cyclical indus-tries such as steel, durable goods and cars, and the strength of its service sector, mainly communications.

Employment growth, one of the main economic yardsticks used in the State, was well above the national average in the 1970s: 3.5 per cent a year in the non-farm sector, against 2.5 per cent, nationally. In the south-east economic grouping to which it belongs, Georgia's performance is middling, behind booming Florida, on a par with the Carolinas, but ahead of Alabama and Mississippi, both of which are more closely linked

to heavy industry.
Georgia was historically a farming state. But it traces its present-day prosperity to its location which made it an important crossroads. Highways, railways, and now airlines have all found it

Apart from spawning an

GEORGIA'S GROSS STATE PRODUCT

	Sm, 1976 figures	omparison with 1972, Sm	:
Mining	309.4	116.9	
Construction	2,013.3	1,250.5	
Manufacturing	9,724	6,526.2	
Trade	9,043.2	5,996.8	•
Transportation, Communicati			-

Utilities 6,594.6 4,771.8 5,567.2 . 3,503.6 5,175.3 3,371.5 1.267.9 1.014.3

ce: Division of Research, College usiness Administration, University

important transport industry in its own right, this has more recently encouraged businesses to set up their regional head-quarters in the State. Atlantaairport boasts departures that will transport travellers to every important U.S. business centre by 9 am, a claim which perhaps only New York can match.

Significant

The airport has just been expanded at a cost of \$ibn to make it capable of handling the largest volume of traffic of any airport in the U.S. The expansion is of enormous significance to the State because it guarantees Atlanta's role as the communications hub of the southeast. All the gates at the new terminal buildings were snapped up by eager airlines, three years before the scheduled opening

The airport will employ about 36,000 people, making it the largest civilian employer in the state. Significantly, the key airbased at the airport are Delta and Eastern, currently

two of the country's more profitable airlines.

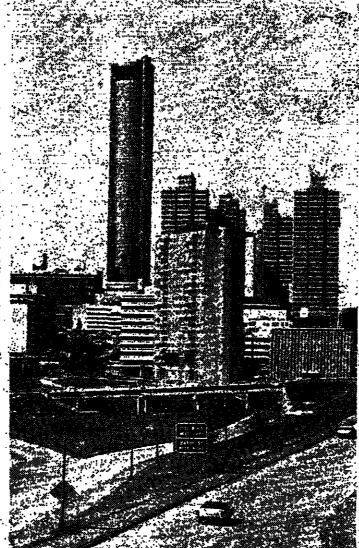
The state's fortunes have been aided by a series of administrations which attached a high priority to economic growth and job-creation. Local businessmen speak well of the state government. The Atlanta property developer, who gestured at the skyline outside his office window and said: "This place was built on a wave of idealism and hope," might be guilty of hyperbole. But one can see what he

The Governor, George Busbee, says his most important goal is increasing employment, and he has actively sought investment both from the U.S. and overseas. Georgia's department of industry and trade has offices in Belgium, Brazil, Canada and Japan. The ports authority also has representatives in Germany. Greece and Japan.

Among the attractions he can offer are stable taxes, a good communications infrastructure. reasonable natural resource base (timber, water, manpower), and a right-to-work law a euphemism for the virtual absence of trade unions. One of the few things Georgia lacks is a generous domestic energy supply, though it is situated quite close to the rich oil and gas states of Louisiana and

A key element in the state's fortunes in the past decade was the real estate business, which boomed and over-extended itself in the early years, only to go through a severe bust in the mid-1970s. But the bitter lesson of the 1974-75 recession was not wasted. Property speculation is much more circumspect these days, as indicated in an article on page four.

Compared to services and construction, industrial growth has been somewhat slower. Atlanta is far more notable for "industrial parks," with executive office blocks nestling in carefully landscaped woodland, than its factories and



The tower of the Peachtree Plaza—the tallest building in Georgia—dominates the Atlanta skyline

assembly plants—though these blue something that bothers the still took its toll. All three car Atlanta Mayor, Maynard Jackson, who has launched a jobcreation programme of his own, aimed mainly at expanding medium-sized local businesses and giving "quick start " opportunities to the young and un- pets have had a tough time, too.

Car plants

Among the biggest industrial facilities are three car assembly plants on the outskirts of the State capital, two belonging to GM and one to Ford. There is also a budding elec-

tronics industry. Elsewhere in the State is the Lockheed miliand commercial aircraft plant at Marietta. But this has employer once-maior reduced its workforce over the years from 30,000 to 12,000, today. Its future hangs largely on Government contracts. The relatively small role played by manufacturing in the local economy can be gauged by the fact that Atlanta airport is number two in the country for passenger traffic, but number 13

Industry's small role probably exist. It is a white-collar, not a explains why the recession was collar boom. This is slow to reach Georgia. But it plants have been on short time (the situation would have been worse were it not that much of the capacity is geared to producing the more popular small and medium-sized cars). And car-

The rise in unemployment lagged the national trend, though by late summer it was within half a point of the total U.S. figure of 7.7 per cent. The situation was aggravated some what by the severe drought which caused losses of \$10n to agriculture, though Georgia escaped lightly, compared to the hard-hit States in the middle of the country.

The recovery will be helped to a large extent by the revival of the housing industry. Permits for new homes are rising fast. But on the manufacturing side the heavy out-of-State export orientation of much of Georgian industry means it will have to await the revival of demand elsewhere in the country, before those industries

David Lascelles of the countryside.

Political dichotomy of 'The Peachtree State'

IT HAS been said many times that Jimmy Carter's accession no particular fan of his predeto the presidency, four years cessor, Jimmy Carter, but the of the Deep South, politicallysymbolic re-admission to the mainstream of American Government of a region long-extracised and frowned upon.

That Mr. Carter should spring from the red clay country of Georgia was, in itself, symbolic, for there had been few other States in the old confederacy as intimately associated with social backwardness in its attitudes to race as the State which gave prominence to a long line of segregationists from Tom Watson to Lester Maddox. Even Georgia's most notable represen-latives in Washington, such as the late Senators Walter George and Richard Russell, had, whatever their achievements in the affairs of the nation, little interest in forging social change in their own backyards.

It is easy to ascribe too much significance to the role played by the former Governor Carter in the State's political and social evolution. His term as Governor, from 1970 to 1974, did accomplish much, but he was, in effect, presiding over changes that had been in the works before he assumed the State House. Georgia was not alone among Southern States in perceiving that its economic and political future lay in accepting the mandates of the great civil rights legislation of the 1950s and 1960s, pressing ahead and not looking back.

Classically, the state's political structure had always been dichotomy marked by a Georgia and between rural Atlanta. The countryside looked with profound mistrust on the relative sophistication and modernity of its greatest city, and it was the countryside which tended to produce the State's political dynasties. It was, therefore, less surprising that Atlanta and its immediate environs should prove fertile ground for the new generation of able yourg black political leadership—most prominently Andrew Young, the former Congressman and Ambassador to the United Nations Julian Bond, like Young, a civil rights leader and now State Senator: and Maynard Jackson, Mayor of Atlanta since 1974 and, for four years before that. Vice-Mayor.

But two of the State's most prominent politicians, Governor George Busbes, now two years into his second four-year term, and U.S. Senator Sam Nunn, in Washington since 1972, are both products of rural Georgia, with records that belie the traditions

they have avoided over-exposing

themselves to property. The property market has developed

porate loan business engendered

by the Georgian economic boom, and the regions' chronic

shortage of capital. As one banker put it: "Georgia is not

like Texas. Most of the capital

has to come in from outside."

banks, though, this thirst for

capital made Georgia an ideal stamping ground for foreign

foreigners to make loans.

The admission of foreign banks was supported by the

for particular types of business.

for everyone, and that a grow-

ing international banking pre-

sence would actually enhance

Mr. David Mills, senior vice-

the Atlanta business scene.

Banking laws

Apart from aiding the local

It was the former Governor,

ago, marked the coming of age thrust of his Administration is similar to that pursued by, President Carter: Its premise is that the racial question is, in effect, settled and that the purpose of State Government should be to further economic development. The success of Georgia, economically, in recent years owes not a little to his leadership.

Sam Nunn, whose political future at a national level seems exceedingly bright, has, like Senater Richard Russell, chosen defence as his area of expertise. His commitment to a strang American military position is very much in line with his Southern haritage, but he has impressed many with the vast knowledge about defence affairs he has acquired in the last eight years.

It is fair to say that he now ranks as the pre-eminent senatorial expert on his subject, whose considered judgment on such issues as strategic arms limitation can carry along

But one political name indelibly tied to the past, still survives, even if, it appears tenuously. This is U.S. Senator Herman Talmadge, son of the celebrated Eugene, one of

Georgia's great rural populists. A Senator since 1956 and State Governor for six years before that, Mr. Talmadge seemed an enduring fixture on the Washington scene chairman of the powerful Agricultural Committee, number two on the Finance Committee and, as he demonstrated as a member of the Senate Watergate Investigation. possessed of an acute, questioning mind.

However, he has been touched by scandal in the last couple of

Georgia, of course, remains essentially Democratic territory. Only one Republican represents the State in Washington, the bright young rising star, Mr. Newt Gingrich, who took over the seat held for years by congressman John J. Flynt, a victim of the Koreagate scandals.

But, for all the talk of a conservative Republican renaissance in the South and for all the reality that Mr. Carter is not especially popular in his own home State, the President seems assured of the State's support in the presidential election in

November After all, he was the symbolic leader of the South's (and Georgia's) re-emergence from the political "dark ages" and regional pride, discreetly voiced that he has gone so far.

night be able to supply an inter

national service to complete a

financing package for a local

bank whose foreign expertise

may be more limited. Foreign

banks are also more willing to

offer term loans than the local

local borrowers use many banks,

but to shop around once they run up against lending limits at their traditional bank.

Another considerable force in the market is the out-of-state

U.S. Bank, Citibank of New

York, First Chicago and others

have loan production offices in or around Atlanta. These can

has a staff of 80 in Georgia), but they keep a low profile to

avoid antagonising the local community. Ironically, local banks seem to be on better

terms with foreign banks than with other U.S. banks because

Whether or not outside banks have enhanced Georgia's status

as a financial centre, they have certainly been instrumental in bringing down the local cost of

money. Lending at less than prime rates has become com-

monplace as banks compete for business. Not surprisingly, the

newcomers have been the most

aggressive: generally speaking the Georgian banks have been

more reluctant to undercut the

the market, though, the foreign

banks are already chafing for

more. Specifically, they want a new-round of liberalisation in

the banking regulations to

enable them to take deposits locally and employ offshore funds. They have backed these requests with warnings that Miami and Houston already pose.

a threat to Georgia's financial

Having won their footbold in

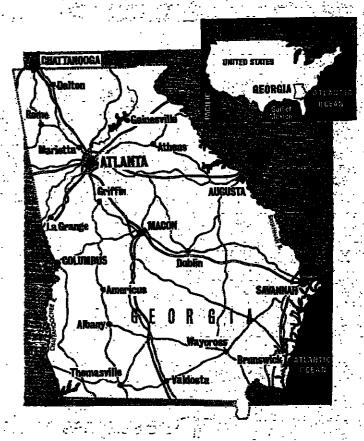
they pose less of a threat.

Competition

be huge operations

Ultimately, of course, no bank has exclusive customers; some

Jurek Martin



FURTHER INFORMATION

Details about business conditions in Georgia can be obtained from: Georgia Department of Industry and Trade, 1400 North Omni International. Box 1776, Atlanta, Georgia, 30301.

A guide to the legalities of foreign investment in the State is available, free of charge, from Hurt, Richardson, Garner, Todd and Cadenhead, at 11. 30303.

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Or Mr. W. Milton Folds, Commissioner, Georgia Department of Industry & Trade, 1400 North Omni International, Atlanta, Georgia 30303. Telephone: 404/656-3556. Telex: 54-2586 GA ÎNILATL



Considerable strength in the financial community

THE HEART of the Georgia been careful to avoid a repeat financial community is Five performance this time round: Points, a noisy and awkward junction central Atlanta around which stand the tall and stately headquarters of at a more orderly pace as a re-Georgia's big banks: Citizens sult. and Southern, Trust Company The banks' recovery was of Georgia, First National aided by the tremendous cor-Bank of Atlanta, First Georgia parate loan business engendered Bank, Fulton Bank, and others. But these are only the outward and visible signs of Georgia's banking community.

Nestling away in plush, singlestorey suites in the surrounding buildings are the local offices of no fewer than 14 foreign banks. And, at an even more discreet distance, lurk the local loan production the local loan production offices of the big New York and Chicago banks.
It all adds up to a consider-

able banking presence, not only in terms of financial muscle, but also worldwide expertise. The bedrock, of course, is made up of the large Georgia banks: they are the only ones permitted under Georgian banking law to open branches and accept deposits. Retail operations are a major source of funds, and with the recent liberalisation of branching laws there is a new trend in expan-sion through acquisition.

The Georgia banks are, however, a somewhat more sober fraternity today than they were at the beginning of the last decade. The severe property erash brought about by the recession in 1974-75 found most of them badly exposed, and at least one, Citizens and Southern, was in deep trouble. In 1977, two years after the recovery had started, C and S was still in such bad shape that it reported its worst results

Even today, bank books are not clear of bad loans. A group of five banks, led by Morgan Guaranty of New York, which financed the large but (except problem-plagued Omni com- stances). plex in central Atlanta is still owed \$85m, and may end up owning the property unless part of the money early next terest: corporate lending.
year. C end S. though, is The first foreign bank to take
on the road to recovery. After
advantage of the new law was

resident International at Trust Company of Georgia, said: "We figured they (the foreign banks) would bring in more than they

could take away."

As State foreign banking laws go, the Georgian system is still comparatively restrictive compared to, say, Florida, New York or California. It does not allow foreign banks to open branches or take in deposits (except in special circumstances). It also debars them from trust operations. However, these are not onerous restrictions since they leave them the developers can stump up free to pursue their main in-

a big management shake-up in Barclays Bank which opened its 1978, it turned in record earn-office in 1976. Its pioneering move was soon followed by 13 However, it was a salutary ex- more banks from Britain, Belperience, and the banks have gium, Japan, Switzerland, Hol**FOREIGN BANKS WITH** OFFICES IN ATLANTA

Algemene Bank Nederland; The Bank of Neva Scotia; Barclays Bank International; Canadian Imperial Bank of

Commerzbank; Credit Suisse; Kredietbank; Lloyds Bank International; Swiss Bank Corporation.

Toronto-Dominion Bank; Bança Nazionale del Lavoro; Banco do Brasil; The Bank of Tokyo; Union Bank, of Bayaria.

land, Italy, Canada and Germany. And the surge is probably not yet over the French are still absent, and it Jimmy Carter who first brought together legislation to allow in the foreign banks in 1972. But it proved too narrow and was liberalised by Governor George Busbee in 1976 to allow is quite possible that another half dozen large international banks will move in before long. Some of the banks, like the Japanese, arrived on the coat tails of their traditional cor-porate clients, and have stuck with them. But others saw local banks even though it was bound to sharpen competition Georgia as a new market-opening, and have gone aggres-sively after new business. The British and the Canadian banks However, the local banks took the view that there was plenty are generally reckoned to have made the broadest advances. Funding themselves largely out of New York, they use Georgia as a base for the eight

or so States of the south-eastern U.S., which includes much of the fast-growing sunbelt. A busy calling schedule is the key to breaking into the market. - Mr. David Burke, who has run Barclays operation since it

opened, says that his bank quickly achieved its growth targets and is now profitable. He estimates an office needs a loan portfolio of about \$50m, though others say they can manage on less.

Competition between foreign and local banks has not been head-on Although both sides speak warily about each other, it is nevertheless evident that there are plenty of ways they can work together advantageously. They might put together a secured loan for which the foreign bank supplies the funds, and the local bank the servicing (something a foreign bank would be unable to do,

Similarly, a

However, they may be disappointed. For one thing, the local banks feel things have gone far enough for the time being. For another, Gov. Busbee is firmly opposed to further deregulation, and the legislature is unlikely to take the political initiative on its

David Lasce

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he

Since 1886, when the citizens of Atlanta first dropped into a neighbourhood drugstore to experience a totally new kind of refreshment, Coca-Cola has grown to be the world's best known, and probably best loved, branded product. But a product which has the happy secret of uniting young and old, of bridging countries, cultures and continents, could not have been the success it is unless it were known to be an integral part of the local economy.

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Whilst Coca-Cola, and other soft drinks, remain the biggest part of The Coca-Cola Company business, the Company's activities extend further. Major research investment into citrus farming, sea harvesting, land reclamation, agricultural efficiency and protein recovery, for example, reflect not only business dynamism and growth, but also practical help to a world which must be fed.

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Coca-Cola Company and countless other
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mutual benefits of participation and a
common purpose—the enhancement
of the quality of life. "Have a Coke and
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light, it is a fair statement of the
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centre.

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Encouraging trends in industrial investment

EARLIER THIS year, Mr. as it was 30 years ago—no more George Busbee, Georgia's suave and no less. and effective Governor, made a

money into the State. The Governor said that new plant investment in the year had totalled \$1.5bn, of which foreigners, as 34 international manufacturing projects were launched, bringing 3,762 new. facturing jobs had been created and overall unemployment was down from 8.6 per cent to 5.1

This is the standard impression of the booming south and a picture which Atlanta, Georgia's largest citytube-like Peachtree Plaza Hotel and its remarkable Omni Centre -has come to symbolise. The car plants have moved south, along with the tyre plants, chemicals industry—and now it appears, even the "glamour" businesses of computers and locate their expansion in the south, rather than the traditional centres of the north-east

Services

However, as with most stories of this kind, this one is only partially true. Professor Albert Niemi. who has pioneered projects to calculate Gross State Product models (the equivalent of Gross National Product at State level-i.e. the value of all goods and services produced). has produced convincing evidence to show that far becoming a has, in reality, become a boomgrowing on the back" of the entire region, been advancing much faster ing dependent sectors, such as than that of the U.S. in general. air travel. Georgia's own population has grown by around 10 per cent in

It is the increase in buyingoower from this region which is responsible for the major growth trends in Georgia's outfinance, insurance, real estate, services, transport and communications. Manufacturing still growing more quickly than is as important for Georgia now the rate of consumption, unlike Georgia, which especially com-

drifting from the land into factories (one which is still wrong. But that does not mean that manufacturing jobs have not migrated southdone so. General Motors and Ford are both active near Atlanta, and so is Lockheed. There are also companies such as Scientific Atlanta, which is

one of the country's leading satellite communications firms. But the jobs they have created have only compensated for the loss of jobs in another manufacturing industry, textiles. "The closest comparison can find is to the economy of

New York City," Professor Niemi. In the past 10 years, Georgia's output in transport and comadvanced by 71 per cent, against 47 per cent nationally, and 64 versus 40 per cent in other these figures is that output in Georgia actually fell in the decade by 1.9 per cent, compared with 11 per cent national

bureaucracv

Governorship of Jimmy Carter. These facts, along with a still rapidly rapidly growing population which makes the task of reaching full employment even more difficult, helps to explain why unemployment in Georgia in June, at 7.6 per cent, was only slightly lower than the national average and why, in some southern States (South Carolina, for example, at 8.5 per cent). was much higher than the national average. These States in the highly cyclical textile and motor industries, as well as service jobs in consumer-spend-

growth — the State's level of

having

The textile industry developed Georgia because of the the State's important and growing industries, pulp and paper, also has a strong natural advan-Georgia's woodlands, which are

relocate its headquarters from Portland to Atlanta.

Georgia's two other internationally-known companies, Coca-Cola and Delta Airlines are firmly implemented in the services, consumer soft goods sector in which the State's future appears mainly to lie.

But the fact that manufacturing remains responsible for only a fifth of the State's output has not blunted either the need or effort for creating new manufacturing jobs in the region.

Mr. Milton Folds, the State's

regarded as one of the most exrienced professionals in the business—he was previousy involved in industrial promotion work in the Carolinas. He now development operation.

His selling points to potential newcomers are the area's excelequable climate, the stability of its fiscally conservative government, the low level of its taxes and the fact that Mr. Folds and staff will do everything able to match the incentive packages also available in other States on training, tax breaks, site preparation and all the other requirements of industrial

development promotion. The industry commission has offices in Brussels, Tokyo, Sao Paolo and Toronto and boasts that its efforts have helped attract 500 international companies into the State, the majority of them from the UK. Japan, West Germany, Holland and Canada. The State also has offices of 439 of the companies which constitute the Fortune 500 largest corporations in the

One of the foreign companies is Murata, a small but aggressive Japanese manufaccomponents for the television and motor industries. Morata initially set up a plant near Atlanta in 1973. Mr. Fred Chancki, who heads the U.S. operation, said the company considered Salt Lake City and Texas before deciding on

areas of the western U.S. and mended itself because of its in Scandinavia. A symbol of airport (many lightweight coma climate not unlike that southern Japan, growing po lation, lower wages and no trad

Stimulated Busbee's visits to Tokyo, the Japanese have been arriving in droves, setting up plants in Georgia in the electrical and machinery sector. The Japanese according to Mr. Chanoki, are doing quite well.

He had three applicants every job he offered and, after initial "teething troubles," has labour turnover of only 3.5 per believes, is to be found only in smaller suburbs and leafy towns of the U.S. He pays his 350 people between \$3:50 and \$4.50 an hour and finds that, in return, he receives productivity of "about 80 per cent" of wha he would expect in Japan. Ft what it is worth.

Meanwhile, the "engine" at the centre of this growth is the metropolitan area of Atlanta a city of less than half a million people, of whom more than half are black Surrounding the metropolis are miles of attractive suburbs, occupied b further 1.5m people.

industrial developers is that most of the "out-of-towners" want to live within easy distance of Atlanta's services, raffe towns such as Macon are still very short of jobs as they emerge from an era dor by agriculture and textiles.

Mr. Tom Williams, chaimpa of the First Atlanta bank an this year's Atlanta Chamber e Commerce president (a matte of fact man, not given to excesses of sloganer that Atlanta does opportunity to become business centre of the if we work hard

grandiose created the mas national Centre. "The days of the

Ian Hargreaves

Property sector recovering strongly

hotel-retail megastructures in central Atlanta-changed its

marketing strategy this year. The change was a sound busirealities of its market. But it was also symbolic of basic changes that have occurred in the commercial property mar-ket of central Atlanta—a sector whose performance is crucial to the overall economic health of this growing regional capital.

In a sense, Omni Inter-national is the metropolitan area's property market in microcosm, representing both the best and the worst experience of that market in the boombust-boom era that just ended,

and the promise of its future in the 1980s.

On the "best" side, Omni International is architecturally stunning, a mixed-use develop-ment representing a self-contained, environment close to the city's Omni sports and entertainment arena, and also adjacent to the Georgia World Congress Centre—a \$35m State-owned convention and exhibi-tion centre that catapulted Atlanta into the front ranks of

the nation's convention cities.
Originally conceived as a prestige address, Omni International features a world-class hotel that boasts one of the best -if not the best-occupancy rates in town, as well as a retaff mall intended as an exclusive. high-fashion shopping area for both visitors and local resi-

dents with one-of-a-kind shops.
Alas, Omni International has not lived up to its original promise-not because it was not brilliantly executed, but because the market was never there in the first place, and because it was located in one of the least promising corners of a central business district that was itself to undergo a decade of crisis as Atlanta transformed itself into a sprawling suburban

community.

Now. the owners and managers of Omni International have abandoned what one observer called "its elitist image" in favour of courting middle-class suburban families with a \$1.2m promotional campaign that is showing positive results. The complex still has Hermes and Givenchi shops, but Lanvin and Pucci are long gone, as well as other exclusive outlets that have

OMNI INTERNATIONAL—one given way to retailers catering of the more spectacular office- to a broader market.

Where Omni International is most symbolic of Atlanta's re-cent properly history was in its financing: it was erected on speculation in the early 1970s, a period of euphoria in a com-munity with a self-proclaimed title as "The Wold's Next Great

City."
Who could dream that new tenants would not be breaking down the doors at Omni Interspeculative buildings that were constructed in the same era?

Who could have forseen the worst recession in 40 years, which hit the nation in 1973, but spared Atlanta for another year before crashing down with catastrophic results that have left their traces ever since?

Burden

Atlauta's property market was burdened with too many office buildings, as well as too many single-family houses, con-dominiums, warehouses and industrial properties and too many hotel rooms (for a time), furthermore there was too much raw land bought on speculation for that "golden future" that never came. And when the 1974-75 reces-

sion came-helatedly to Georgia -it took a heavy toll. Markets dried up, and builders, faced with declining cash flows, defaulted right and left. Bank-ruptcies soared. And lending institutions - especially property investment trusts and commercial banks-foreclosed on hundreds of millions of dollars worth of property. One Atlanta bank alone, Citizens and Southern National, carried \$212m in non-earning assets in 1977, the year it posted a \$7.8m loss that resulted in sweeping changes in top management.

Since that disastrous period,

Atlanta's property sector has recovered strongly and entered a new decade with the sober expectation that another boom lies ahead that will rival the late 1960s and early 1970s without the fantasies that might lead to another speculative frenzy. For one thing, lending institution's have cracked down in self-defence, insisting on "a piece of the action" in the future, lest they are faced again

with non-earning property.

Although the 1980s opened



section of the Omni International Centre. Basketball far Harlem Globetrotters perform for a televised "Wide World of Sports" programme

another Atlanta's property and construction sectors showed every evidence of vulnerability:

 Builders had engrossed absorbing existing property that they did not have a chance to create another surplus. Indeed, the office, housing and hotel markets are likely to go through a period of scarcity before demand and supply even out again

● Atlanta's growth which was one of the highest in the U.S. during the 1960s, inevitably levelled off. • Nevertheless, demand has

remained strong, in housing, in the convention industry, in the distribution and warehousing trades and, to an increasing degree, in the suburban sector the office market. All of this promises economic security to the projects that are translated from plans to reality, according to industry observers.

In addition, the property and construction industries have been supported since 1975 by two large-scale projects that have important implications for the city's future: (1) A projected \$20n tax-funded rall rapid transit system, the first leg of which opened in 1979 and (2) the new Midfield

recession, field International Airport the world's largest terminal at the world's second busiest airport

Related to both of these is the city's burgeoning convention business, whose demand for at least 5,000 to 7,000 new hotel rooms by 1985 assures continued strength in this sector. Success depends ion doubling the size of the Georgia World Congress Centre : se Atlanta can accommodate the Atlanta can accommodate inevery largest conventions; but industry sources are basically optimistic that the State authorities will give their approval. Aside from highways, the \$90m project will be his a property of the history of

the biggest development in Atlanta's noted

developer. Mr. John Portinga, already has disclosed plans for a striking 1,500-room fiftel addition to his Peachtree Centre complex, and the Hyatt Regency.
Atlanta is adding 400 rooms to its 1,000-room downsown hotel. Several thousand adding tional rooms are either in the planning or construction stages at key locations in the metro politan area: in central tions around the Perin Highway which serves the tires number of office parks, is well as at the airport



Agriculture is still the State's biggest industry

IF JIMMY CARTER loses the election in November and fetures to his family peanut farm in Plains, Georgia, he will find that more has changed than the installation of a tourist information point in the aptly-

named little town.
Wr. Carter will learn that his fellow peanut farmers are not no pleased with his record in office on their behalf. "He just never got involved with peanuts," charges Mr. Tyron Spearman, who runs the

Georgia peanut industry's proemotional organisation from an office in Tifton, a small town in the very centre of the State whose welcoming sign proclaims diffton to be "an industrial and agricultural paradise." In Mr. Spearman's opinion,

In Mr. Spearman's opinion, pinimy Carter was never a true beautt farmer in the first place, his family having made its living by cultivating seed peanuts, rather than wrestling with the complex Government-controlled price and production system, under which most peanut

farmers operate.

But Mr. Spearman does concade that the mere idea of a beaut farmer in the White House has done the industry's mage a great deal of good. More newspaper articles were written about the peanut indusfry in the 1976 election cambaign than in the rest of the humble peanut's history.

If Mr. Carter rejoins the peanut farmers, he will also hear a great deal about the Government's current review of the peamit price support programme, a review which is intended to produce a Peanut Bill in Congress next year and which, peanut farmers fear, will undermine the stability of nology, their industry.

Peanut debate

The result has been an attempt, in the last few years, to hold down the price of peanut muts—there has been just one Georgia plays a central role as "It is by far the nation's largest producer (43 per cent of the to find ways of geting farmers peanut putter ractory.

The peanut putter ractory.

The peanut putter ractory.

The peanut putter ractory.

The peanut industry has had a little help this year from the recession, because Americans recession, because Americans way the vast U.S. agricultural

If Georgia is to hold or improve on its current ranking of 15th in the U.S. by farm ome or to further increase

ts already very strong agricul-piral exports, peanuts will play an important part. Peanuts are grown in half of Georgia's 159 counties, in a central belt which excludes only the extreme south-east and extreme north-west of the state.

THE RECORD-BREAKING heatwave which settled on Texas in late June and then spread east into Georgia, has eaused the worst drought in the State for many years, devastating corn crops and reducing yields for peanuts,

peanuts, cannot be persuaded to eat peanut butter, or at least not in American-type quantities. And they absolutely cannot be persuaded to eat peanut

teed price system which, at its peak, was costing the American Government \$100m a year from the population's extrabecause, although the proordinary fondness for salted This evolved into a guaranpeanuts, is snagged at a mere 1.3 lbs per capita per year in spite of a recent \$1.2m promotional effort spearheaded in Britain by Rowntree Mackin-

basic diet of millions of Ameri-

Americans munch their way through no less than nine pounds of peanuts each per capita, of which 3.8 lbs are connuts—there has been just one sumed in the form of butter. increase, of 8.5 per cent under Georgia, incidentally, boasts, in the Carter Administration—and Dawson, the world's largest

So, today there is a highly always rely on peanut butter to recommy works. The story is complex there is a highly always rely on peanut outler to also important in the context arrangement, which sets one of Georgia's agricultural floor price for domestic crops, but its export goals remain for middle. There is stiff competition in the world peanut market sector continues to compete with soyabeans as the State's leading propersure of the crop must be leading producers—the U.S.

. Exports

It also looked this year as if the industry would enjoy its best harvest ever, with fine growing conditions early in the season. But the July heatwave and drought have hurt some of the half of the acreage which is unirrigated as well as in-

U.S., 600,000 tons exported, leaving almost nothing for Government storage.

Normally at least 200,000 tons of nuts go into store, from where they either eek out supply in the event of a poor crop the next year or are crushed for oil: the cost of the Government programme, be-cause of the successful export

programme, has been cut to \$17m last year. Peanut farming also impacts closely upon other sectors of Georgia's agriculture, because the plant, which produces the nuts along a trailing root, beneath the ground, can only be planted every third year.

It has been a switch in crops to alternate with peanuts, from corn to soyabeans, which has led to the fact that soyabeans have come from nowhere to slightly outstrip peanuts by crop value in 1979. Soyabeans accounted for 28.1 per cent and peanuts 25.3 per cent of the State's \$1.4on worth of crops.

Soyabeans suffer less from Georgia's periodic droughts that does corn and the start-up of Continental Grain's soyabean exporting operations from Savannah, has provided an efficient market for the state's

produce. Soyabeans and peanuts, to gether, have been the main reasons why Georgia more than tripled the value of its farm exports to \$432m between 1971 and 1978.

There has also been strong growth, in line with national trends, of the State's vegetable production and some recovery in peach cultivation now that new varieties have spread the harvesting period and evened out supply. Georgia is officially known as "The Peach State."

Cotton, almost driven out of the State by low prices in the 1960s, is staging a minor come-back with the help of the fashion for denim, tobacco is holding its own and the State's forests are, as prices rise again in world markets, starting to attract more attention.

The decision of Georgia Pacific, the large timber com-pany, to move its headquarters from the West Coast to Atlanta reflects in part the increasing interest in the extremely fast growing pine forests of the south-eastern coastal plain. Georgia already has a substantial paper and pulp industry. On the livestock front, Georgia also ranks number one in the nation for

poultry production.

These relatively strong perstop Georgia farmers complain-ing and some of their anxieties appear legitimate enough.

biggest single industry and, despite the rapid advances in manufacturing and other services, it looks set to remain that way for

Ian Hargreaves

CROPS HIT BY SEVERE DROUGHT

soyabeans and cotton. Poultry producers also suffered heavy losses of birds unable to stand the more than 100 degree temperatures. Livestock farmers in many parts of the State saw their pastures scorehed dry, their hay crops ruined and the "army worm" surface as a fur-

ther threat to crops.

As of August I, the Georgia
Crop Reporting Service was
forecasting corn production of 52m bushels, half the level anticipated at the start of the year. Soyabeans are forecast at 45m bushels, against 58.8m planned and peanuts down from 1.7bn pounds to 1.58bn

pounds. Some counties in the State have been declared farming disaster areas, giving farmers access to low-cost Federal loans. But, as always in farming,

for every farmer who loses everything in a climatic disaster, there is another whose erop is good and who enjoys the higher prices which result from shortage. Georgia's all-commodity index of prices received, was 229 in mid-August, compared with 198 in April and against a 1967 base of 100. Prices rose most rapidly for meat, with the livestock price index at 232 in August, against 189

in April. Peanuts are up from 35

cents to 41 cents per pound. This probably means that despite the drought, the State will not soffer a very large drop in farm income from last year's \$3bn.

frequently repeats, that peanuts are the cheapest source of protein available, encouraged peanut farmers to plant from fencepost to fencepost with the tein available. butter with fruit jelly—a com-bination which provides the promise that they would get a fair price for their crop.

gramme froze the amount of acreage for peanuts, it could not take account of huge increases in yields as technology, pest control varieties improved. and

ing crop—and second only to exported. Next year's Peanut is third and Georgia alone poultry as a source of farm Bill will decide where the would rank fourth. system goes next. It is not difficult to perceive

the dramatic consequences of such a policy for peanut farmers: they have moved swiftly into world markets where their low priced nuts, especially in Eurocuirency countries, are becoming rapidly more popular. Exports have risen from zero in 1971 to over \$116m in value.

creasing disease.

This year, Mr. Spearman During World War Two, the The problem is that even the expects the industry to produce smerican Government, recognists, who constitute the 1.8m tons of nuts, of which thising what Mr. Spearman still largest market for American 1.2m will be consumed in the

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OR BUSINESS IN



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Trade unions unpopular

NOW," says Mr. Herb Mahry, the many companies which have migrated from the unionve migrated from the unionessed north to the relatively unwhere for them to run to." Mr. Mabry is Georgia's presi-facent of AFL-CIO, the U.S. gederation of trade unions From is recently opened office in Atlanta, he is responsible for overseeing the organisation's activities in the south-eastern

It is a position about as com-fortable as that of a white policeman in Harlem or a missonary in pre-conversion Rome. Trade unions and trade union-ists are not popular in Georgia. "Unions have almost killed American industry, just as they have in Great Britain and we're beseeing a reaction against that," says Mr. Roy Cooper, director of 25 Sconomics for the Atlanta Chamber of Commerce, in what

"he stresses is "a personal view." Fig. Personal or not, it is wide-2 spread. The percentage of the Georgia labour force which is The member of a trade union fell between 1976 and 1978 from 142 to 13.6 per cent and the stillanta Chamber likes to boast in that the State has one of the chighest success rates for com-Singhest success rates for com-spanies taking advantage of Sciencia's laws to encourage their workforces to vote out the union—the process of so-called "decertification." Some of the State's biggest and best-known amployers, such as Delta Airlines, are resolutely non-union. According to Mr. Mabry, the foundation for this situation began in the textile industry, Georgia's first large manufactur-

ing industry and one which still accounts for one in five manu-facturing jobs in the State. -on Thus, labour organisers in the epic battle between J. P. in in the last few years. There Stevens, the large textile com- are now 85 Japanese companies pany, and the clothing workers' with premises in the state:

its first collective bargaining ment, but nor will he promul-rights within some of the com-pany's facilities. So, it is an upbill fight for

Iaw, a breakthrough at Stevens would open "a similar would open "a significant chink" in the employers' ranks —although, like many others, he believes that the greater diversity of the southern economy today and the spread of automation, will reduce the

ripple effect of any settlement. ripple effect of any settlement.

Indeed, Georgians appear to be finding it fairly simple to live alongside the traditionally highly organised industries, such as motor assembly, which have drifted south in the last decade, without altering basic decade, without altering basic official statistics do, indeed, demonstrate that Georgia reattitudes or allowing the labour unions to reverse the tide of declining membership.

Outlawed

The most obvious reason for the low level of union membership in Georgia is the fact that the State is one of 20 in the U.S. which have "right to work" laws on their statute books. Thus, the closed union of the design of the closed union of the closed shop is outlawed and firms cannot force workers to pay their union dues at source.

Mr. Mabry is realistic enough to concede that there is no hope of changing the right-to-work law in Georgia, where Governor Busbee and his officers use it the State as an industrial location, especially to the Japanese Georgia are closely following companies which have flooded

Busbee and his officers use it 84 per cent of the national as an important item of selling average in 1972 and 85.7 per the State as an industrial location of the national average in

"Wolved a long string of court to make the right-to-work laws weakness of the unions, makes contests, shop-floor skirmishes illegal at Federal level, by Georgia a desirable "nesting

and, eventually, a national level amending the National Labour boycott, led by AFL-CIO, of Relations Act (clause 14 b). J. P. Stevens' goods. There have President Carter, who cheerfully been rumours in recent months went along with their right-to-that the two sides may, at last, work laws when he was be in sight of an agreement Governor of Georgia, has said which would grant the union he will not veto such an amend-

In the opinion of Mr. Tom the labour unions, faced, as they Watson Brown, an Atlanta are, with sophisticated, profeslawyer who specialises in labour sional union-busting consultants, of whom there are several in Atlanta. The figures tell the Atlanta. The figures tell the story of the unions failure, but disguise the fact that they have had the odd triumph, such as the organisation of the Japanese zip-fastener firm, YKK in Macon.

The unions, of course, allege Official statistics do, indeed, demonstrate that Georgia remains some way behind the national average in pay and that, contrary to popular impression, has been slipping back again in recent years. According to a study by the First National Bank of Atlanta, based on returns from the census of manufacturers, average hourly earnings in Georgia were 74.7 per cent of the U.S. average, in 1963; 79.7 per cent in 1972 and 78.7 per cent in 1977.

This is obviously a big attract widespread praise for its widespread praise for its "Qnick Start" programme, which uses the State's vocational training resources and specially tailors them to the needs of a firm setting up in the area. Georgia provides substantial grants, in some cases, and will also carry out detailed investigations of lebour availability in selected locations for potential bringers of jobs.

This, however, has not prevented several high technology

This is obviously a big attraction for firms considering location in the State, although it into the area from bringing has to be set against Georgia's: with them the higher skilled lower productivity, which was control of the area from bringing has to be set against Georgia's: with them the higher skilled lower productivity, which was control of the area from the productivity. 1977. But, on paper at least and using averages which obviously do not tell an accurate story for idea that its people are, in individual industries, the trade-off on wages and productivity; union, a battle which has in-. The only hope, he believes, is especially when allied to the

incentives available to industry (dealt with in the article on industry), also play a part.
In a more detailed study by

the Trust Company of Georgia the productivity picture looks even brighter. This shows that nine of the State's 17 major industries showed greater pro ductivity growth than national averages in the last decade, Georgia, because its new industries have brought new plants and perhaps, and, according to the sales talk of the State industry officials, "because Georgians are used to hard work." Average hourly earnings in the State are around \$6.50 an hour in manufacturing industry.

Training

Another important considera-tion for potential investors in Georgia is the question of training for the workforce.

employees required for their operations. But there is no doubt that, slowly but surely, Georgia; along with the rest of the south, is steadily banishing to history books the some way, suited only to lesssophisticated varieties of employment

Ian Hargreaves

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Impressive developments: in transport network

name of Terminus, has always a transport planner's

But the pre-eminence today of the air travel hub of the city's Hartsfield International Airport and the "octopus legs" of its inter-state highways which reach smoothly and directly into neighbouring States and to the Atlantic Ocean, conceal the fact that the State of Georgia has struggled as hard to put itself on the communi-cations map as it has to become recognised as a significant manufacturing centre. Overshadowed to the west by

the great arterial ducts of the Mississippi River, niggled by higher-than-average railway freight charges and lacking a decent sea port, Georgia, until a decade ago, was well and truly in the transportation

The reversal of that situation in a mere ten years has been the most dramatic single element in the march of Georgia from economic obscurity to a point where it — and a handful of other States in the south-east -have the old power centres of the industrial mid-west and, to a lesser extent, the north-east, firmly on the defensive.

Showpiece

Atlanta and its airport are obviously the showpiece of this achievement—an impressive development made possible by a mixture of shrewd planning by Delta Airlines (Atlanta's own airline and one of the most financially successful in the U.S.) and good co-operation from public authorities.
But, in terms of distributing

the economic growth which Atlanta has enjoyed through the sprawling State (the largest east of the Mississippi), other links in the transport scene are also of great importance. Georgia is fortunate that its

railways-like all the nation's railways, now in the throes of attempted merger and re-organisation in response to a climate of regulatory liberalism being generated in Washington -are strong, unlike those of the Chicago area, for example. Its roads were among the

earliest planned in the great inter-state network, and so are now complete. The Port of built two years seo.

The State's inland waterways

150 years ago as a railway rivers, so they don't shut down, junction with the unbeguiling as canals in the northern midwest do, for much of the winter. been a crossroads and, in that From Columbus, you can travel by barge all the way to the Gulf of Mexico.

In terms of personal trans-Atlanta's Metropolitan Atlanta Rapid Transit Authority (MARTA), began in 1971 after citizens agreed to add one per cent on the local sales tax to finance it, the development had been plagued with the kind of construction delays that accompany most large civil engineering projects and, recently, by uncertainty over the future of the financially stricken Societe Franco-Belge. which is building the rail cars. But the plan has a good chance of achieving its goal of becoming one of the country's most attractive masstransit systems, from the rider's point of view.

The city's bus business, now linked with a section of the railway already open, has seen its patronage nearly doubled since 1972. The network should be complete around 1985.

But perhaps the most signifi-cant growth in the State's transport infrastructure, aside from Hartsfield, has been at the combined port of Savannah and Brunswick. Savannah, a town as beautiful

as its name—one could describe it as a sort of Bath, with palm trees-is part of a ribbon of fiercely competitive ports on the south-east Atlantic seaboard. Norfolk, from stretching Virginia, Florida. Its task has been first to win back from the more northern ports the business of exporting Georgia's own goods -many of which, even five years ago, were being shipped as far afield as New York. Another aim is to play a creative role in developing the State's trade and commercial

The figures tell the story: growth, in net tonnages, has been averaging more than 20 per cent a year for the last five years and, at just over 5m tons last year, the Georgia Ports Authority registered an increase of 28 per cent on the vear before. None of these figures include

non-GPA business through the many private terminals in the ports, which would probably just about double the totals.

executive director, sees growth continuing at between 15 and 20 per cent a year, at a time \$4.8m on its revenue of \$33m the Mississippi—stretch for 500 when world trade is forecast to last year—a satisfactory result miles and are served by three grow only 13 per cent and U.S. for the State, which is, in effect, useful inland ports—at Augusta, trade at only 9 per cent in the the GPA's mortgage banker.

TLANTA, WHICH began its Columbus and Bainbridge. The same period to 1983—"I don't The more far reaching ben

One of the port's many advanunions, a factor shared with most other Georgia businesses, receiving permission to included but also with Savannah's main sailings to American ports. competitor, Charleston, 50 miles up the coast in the state of South Carolina

But Mr. Nichols estimates that his costs and therefore his charges are 15 to 20 per cent lower than North Atlantic ports such as New York, something reason for the port's success in winning back Georgia's own export trade.

But it has not been the only reason. Mr. Nichols says the men who operate the huge German cranes in Savannah's container-port regularly accomplish 30 to 35 "picks per hour" and, on good days, achieve 55. (British port operators are fortunate if they can manage 20.) Container tonnages handled at Savannah in 1979 were 1.2m. an increase of 50 per cent on the year before.

Productivity

Mr. Nichols argues that his employees' productivity record is evidence of first class morale and a guarantee that the port will continue to keep at bay the International Longshoremen's Association. Pay is now fairly close to union rates, and job classifications have been improved.

re periodically balloted about their views on union membership, voted overwhelmingly against the union in 1976 having almost voted it in six years earlier.

We have virtually no idle time on this port because of our iven us flexibility in utilisation of manpower," he adds, in another comment calculated to produce green complexions

mong European port managers. The port has also had good backing from the State Government of George Busbee, which has approved a stepped-up investment plan, which will total \$200m in the next five

Two new heavy-lift cranes be built by 1982 and a new administrative headquarters is under construction. A similar

So far, it has been money well spent. The port earned

ATLANTA, WHICH began its Columbus and Bainoringe. The same period to 1000 fits have been a surge in the history only a little more than sun shines on these canals and see how we can miss," comfits have been a surge in the little more than sun shines on these canals and see how we can miss," comfits have been a surge in the little more of international ship. ping lines calling at Savannah, tages is the absence of trade despite the continuation of legal minors a factor shared with difficulties for Atlantic carriers. receiving permission to include?

> more sailings this year than last The port has also enjoyed with the help of Continent Grain (one of the five come panies which control most of the world's grain trade), some thing of a coup in agriculture

Savannah expects to receive 359

business. Savannah two years ago, leased grain shipping facilities and started to encourage traffic in soyabeans. Around 20m bushels of the crop passed across Savannah's conveyors last year. This move has not only benefited the port, but Continental's presence convinced many Georgia farmers to switch from corn to soyabeans as a secon crop to peanuts—a move which proved its worth, especially this summer when the droughs sensitive corn crop suffered

One third of the State's soyabean production is exported through Savannah, Continental's arrival had another important side-effect, too by using collec-tive argricultural muscle to lower rail freight charges reversing years of competitive disadvantage in Georgia.

That model of creative por development, of course, has no been universally achieved in Georgia. Savannah still lacks adequate refrigerated. facilities to service the State

poultry products. Furthermore, the port's plan for a major widening of the river and dredging operation to increase the turning circle it allow larger ships in although

But these shortcomings have not prevented Georgia's ports from providing some leadership. in the region's economic growth and from advancing their own status to the point wh Savannah is now the nation's

21st largest port, by tonnage .-Putting Savannah "on the map" as a port has helped to have just been installed, a promote the State's exports, fourth container terminal will (Georgia has a 54:46 made balance)... It has also helped the agricultural sector adapt to new trends and pressures, kept some sum will probably be spent in of the State's wealth within its Georgia a candidate for major, Federal-funded projects (such as coal terminals), which will be

South Terminal.

passenger flow.

Convenient

heavily used areas.

Throughout the entire new

airport complex, there are no

architectural barriers for the

handicapped person Both escalators and the elevators are

provided for all changes of

level, and elevator buttons feature raised lettering. The

colours used are those dis-

cernable by the colour-blind,

and a combination of visual

information and audio announcements is used to direct

Many of the public tele-phones, mounted at heights conveniently reached by all, are equipped with amplifying devices, and for those who are

deaf, special typrewriters are available at six of the most

In addition to the develop-

ment of the passenger facilities at the new airport complet

construction has been in pr

gress on a major new cargo area (also to be inaugurated in mid-September) of about

in mid-September) or attack that 457,000 sq. ft; augmenting this

has amounted to about \$500m with another \$250m going for

road relocation, taxi-ways and

But even with the new facilities just opening, Atlanta is already thinking further

existing facilities of 350,000 sq ft.

Ian Hargreaves

New air terminal opened

next century in civil aviation by inaugurating its new \$750m passenger terminal complex, claimed to be the largest in the world, which will be capable of

Atlanta International it handled 41.7m passengers, a diversified financial companies rise of 14 per cent over the and 17 of the 50 largest comprevious year, putting it into mercial banking companies. second place in the world behind Chicago O'Hare, with 47.8m, The total number of aircraft movements also rose by about 7.5 per cent to nearly 600,000. By comparison, London Heath-row ranks fourth with 28m

passengers. Most of the Atlanta pas-sengers, however, were U.S. domestic travellers. The volume of purely international traffic at the airport is small, amounting to 407,413 passengers last year but it is growing—last

For the current year, despite the effects of recession in the U.S. air transport industry, tinued to expand. In the first four months of 1980, the number of passengers reached 13.7m, a rise of 3.6 per cent over the corresponding period of last movements for domestic operations rose by 3.7 per cent to 177,288, while international aircraft movements rose by 31.7 This growth stems from the

users of the airport, more than 70 per cent (or, roughly, 28m) were connecting passengers, making Atlanta the busiest connecting point in the world. To date. 15 major U.S. and international airlines serve the airport, linking it with another 135 U.S. destinations and six major international points, including Gatwick in the UK

(served by British Caledonian Airways and Delta Air Lines). Among the major cities served from Atlanta directly are San Francisco, Denver, Seattle, By building this passenger Portland, New York, Washing- complex in the centre of the

Atlanta International has about 1,600 flights a day. This is because the city itself is a rapidly growing business centre. Today, 439 of the "Fortune" list of 500 top industrial firms handling 55m passengers a list of 500 top industrial firms year, and eventually up to 75m. in the U.S. have operations in Atlanta, while it ranks ninth already the second biggest air- in the U.S. league of bank clearport in the world, in terms of ings. The city has 46 of the the number of passengers nation's largest life insurance handled annually. Last year, companies, 35 of the 50 largest

> To meet this growing commercial activity, the airport has also been obliged to expand. Last year's 41.7m passenger figure was ten times the number the existing terminal facilities were originally designed to handle in 1961.

Facilities

The new facilities, sited about one mile south of the existing terminal, in the middle of the pattern of three parallel run-ways, expands Atlanta's air service capability to at least 55m passengers a year immediately, and puts up the number of aircraft "gates"—at which the airliners load and unload-from 72 to 138.

The new complex comprises two big main connected terminal buildings, the North Terminal and South Terminal, which are linked to four separate, parallel year. The number of aircraft domestic concourses, spread out over an area of about 378 acres. From the main Terminal Buildings to the farthest conper cent from 1,023 to 1,347, but passengers can travel between the main Terminal fact that Atlanta is one of the Buildings and the concourses by main "hub" airports for the an underground transit system whole of the South-Eastern U.S.

During 1979, out of the 41.7m maically-guided carriages on rubber wheels, which will run at 103-second intervals, at no cost to the rider.

This system will be the fifthbusiest transit system in the U.S., carrying about 250,000 passengers a day. It has been designed by Westinghouse Electric Corporation.

sengers can walk to and from their concourse if they wish, along an attractively tiled and carpeted tunnel, or they can take moving sidewalks.

existing airfield, between the

nally, in addition to existing runways, the designers

In addition to the train, pas-

YESTERDAY, THE Hartsfield Gatwick, there are Mexico, have cut the amount of taxying Atlanta International Airport Brussels, Frankfurt, Bermuda time to a minimum, which took a major step towards the and the Caribbean. capable of accommodating more than 800 arriving pag-sengers every hour, will be built adjacent to the new main for airlines.

Each concourse can handle

more than 30 aircraft at a time, and they are spaced sufficiently widely apart to enable two wide-bodied jets to pass each other between them, even with other wide-bodies parked at the gates on either side.

Because more than 70 per cent of the airport's traffic will be connecting passengers, who will not necessarily either want or need to go into the two main terminal buildings, every concourse has the full range of amenities, including telephones, rest rooms, shops, snack bars, cocktail lounges and other facilities.

The main terminal area itself will have parking spaces for 12,000 vehicles. A major feature of the new

complex, however, is the Inter-national Terminal itself. Attached to the eastern end of the new North Terminal, this three-storey international com-plex will have a six-gate concourse of its own, capable of handling wide-bodied aircraft.

The terminal is sited so as to offer easy access to the main terminal facilities, including parking, and the proposed The total construction cost of Atlanta MARTA rapid transit the passenger terminal complex. system extension that it is intended to build, linking the airport with the City within 17 minutes' travelling time. The cargo support facilities. shell for the station has already been constructed, to minimisefuture disruption. In the International Terminal

there will be a complete Federal Inspection Services area, for immigration, customs, public health and agriculture officials, and 800 arriving passengers will be able to pass through these formalities every hour. Also on this level is an Inter-

national Calling Assistance Centre, the first computerised telephone system of its kind, designed to display important dialling and other information in six languages.

The middle level of the International Terminal contains departure lounges, and concourses, duty-free shops, cocktail lounges and other concessions, including currency exchange facilities. The top level is reserved for airline offices.

ahead, to the time when the new facilities may be facility the same crunch conditions that plagued the old terminal. Expansion has been built into the design to enable traffic to rise from 55m passengers year to 75m. A fifth domesti

concourse will be built when the time comes, the second International Terminal is aiready planned; a fourth run-way, of 9,000 ft, will be built in 1983, while, at the same time; the existing 8,000 ft runway is to be extended to 12,000 ft. raising the hourly aircraft movement rate from 120 to 150. Additional carriages will be added to the under-ground train system, where the stations can be expanded; and more car parking spaces can be To handle future growth, a second International Terminal.

Michael Donne

NZ lamb exports to Iraq double

By Dai Hayward in Wellington

NEW ZEALAND has doubled lamb exports to Iraq with a contract to send 30,000 tonnes worth NZ\$70m (£28.79m) next

The price was one of the best ever paid for NZ lamb this year. Iraq bought only 16,000 tonnes, warth about NZ\$30m, last year. The deal makes Iraq one of the big four world customers for NZ lamb along with the UK, iran and North America.

The sale, which has been helped by a big improvement in cold storage and refrigeration distribution facilities in Iraq was more than expected. It emphasises the rapidly increasing importance of the Middle East to NZ's lamb industry.

The size of the order and its price has boosted hopes for another big deal with Iran. A meat board team is in Tehran at present negotiating lamb exports for next year. NZ meat industry representatives are hoping for a 90,000 tonne order. JUK will still receive about

half of Ni's total production. Meat and lamb production in NZ will be high this year and the extra tomage going to Iraq will not cut into supplies for Britain but will take the extra production.

Fishing industry aid 'not enough'

OWNERS of Britain's deep-sea trawlers will receive up to £25,200 a vestel to help tide them over the crisis in the fishing industry, but it will probably not be enough to get the ships back to sea.

"It will help to keep the banks off the owners' backs rather than put the vessels at sea or the men back in a job," the British Fishing Federation said yester-

The money will come as part of the £14.1m Government temporary aid scheme to help the trawlers stay afteat until the EEC can work out a new fishing policy, it is hoped by the end of the year.

Assistance is being given to owners of registered vessels which were available for fishing on August 7 and which meet certain criteria designed to show that the vessel is genuinely a commercial fishing vessel." Ships of 40 feet or longer must have spent 44 days at sea during the first seven months of 1980; and those less than 40 ft must have caught and sold fish worth have caught and sold fish worth been caused by the long drawn-£1,500 during any continuous out nature of the negotiations three-month period within the

first seven months. The amount of aid will depend on the length of the vessel, but tions to a satisfactory con-will range from an initial pay- clusion."

ment of £225 for a vessel of under 35 ft to £25,200 for a trawler of 190 ft or over. It is expected that between 3,000 and 4,000 vessels will be eligible, about half of them inshore boats. If there is any money left after the original applications have been dealt with, it will be shared out again between the applicants.

Many of Britain's 4,000 smaller inshore boats will not be eligible because they are now no longer used for fishing but have switched to offering holi-

day trips.
The deep-sea fleet owners. while grateful for any aid, say it is still not enough. At an esti mated cost of £3,000 a day for the 190 foot vessels which are at sea for weeks rather than days, even £25,000 a trawler will not last very long, they

Alick Buchanan-Smith, Agriculture Minister of State, said yesterday: "We are deter-mined to do everything possible to sustain the fleet through the period of uncertainty which has on the Common Fisheries Policy. We will be doing all we can to bring these negotia-

£413 at one stage.

The rise reflects a build-up in bullish sentiment encouraged by reports of renewed heavy buying by the Soviet Union. It was rumoured yesterday that the Russians were back as buyers again, although bidding well below current market

Estimates of the Russian purchases so far already made between im to 1.6m

months earlier than expected. This suggests that they are very pessimistic about the result of the Russians would require to their domestic beet production this year and might well have to buy further large quantities later if the crop is as bad as

It has been decided to delay harvesting of the Soviet beet crop in the hopes of the weight and sugar content improving. but this leaves it exposed to the

risk of frost Russia is whether Cuba will be

import 2m tonnes.

What is, perhaps, of greater significance is that the Russians biggest sugar producer, are the main key to the present upsurge.

The problem in Russian, which is normally the world's single biggest sugar producer, are the main key to the present upsurge. However bullish sentiment has been stimulated too by heavy purchases from other quarters. including Poland-normally an exporter - and Venezuela. Another major exporter, South Africa, is known to have suf-fered a bad crop setback this year and although it claims that its sales commitments will be met, there are rumours that it might need some temporary

Additionally speculators are

Stocks rise depresses aluminium

PROSPECTS of another heavy inflow of stocks into the London Metal Exchange ware-London Metal Exchange ware-houses pushed aluminium prices lower again yesterday. The cash price closed £10 down at £677 a tonne while the three months quotation lost £5 to £695.5. It was runoured that sizeable quantifies of low quality Egyptian aluminium had been shipped to the warehouses.

Alding the decline was a fall in copper, which was upset by persistent trade sell-ing. Cash wirebars closed £10 down at £851 a tonne. Tin, too, lost ground with the cash price dipping by £70 to £7,200 a tonne, in spite of a rally in the Penang market

overnight.
In contrast, however, lead and zine values were boosted mainly by speculative buying interest. The feeling is that prices of these metals have been forced too low in recent months and the charts are indicating that a recovery is overdue. Cash zinc moved up for the third day in succession gaining £9.5 to £349 a tonne. Cash lead closed £3.5 up at £381.75 a tonne.

India seeks titanium

contracts

India proposes to conclude agreements or contracts for the regular supply of titanium sponge for its defence industies, the United News of India

Titanium sponge is needed for a defence undertaking at Hyderabad, due to go into regular operation this year,

Tea exports held in Calcutta

NEW DELHI-The Economic Times newspaper said at least 1.4m chests of tea have accumulated in warehouses since tea workers began a strike over retirement pay on August 25. No tea has been exported from Calcutta since the strike began. Auctions have been postponed for the last three weeks. In London, tea traders said that they understood that the strike was over, barring formalities, and that the Calcutta auctions would be resumed on Monday.

FOOD SUPPLIES

Farmers at the poor end of the chain

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

of the advice they get to integrate themselves more fully with the food processing chain. Such integration has all the dangers to our unsophisticated minds of the young lady of Niger's ride on the tiger. Not all the attempts at contract farming have turned out as their sponsors wished. Seasons vary and with them yields; consumer tastes also change. It seems that modern methods of his interest very early in the food manufacture and distribution, seem to take more and

Weak position

I visited a biscuit factory the other day. One of the most modern, so I was assured, in the country, and saw computer-monitored machines churning out their products by the The farming products directly involved were flour and sugar. The type of wheat used returned the farmer some £100 per tonne, about 41p per lb, and the sugar some 10p per lb. The retail price of the particular line I was watching worked out at about 55p, or £1,237 per tonne.

This is in no sense a criticism. Food manufacturers are under milk. severe pressures particularly because the spread of supermarketing restricts the number of prime customers, so that the trols the retail price of milk. for lambs, pigs, beef cattle and a virtual monopoly scale.

tune. Farmers, the food manufacturers' main suppliers, are therefore in a weak position. They are many in number com-pared with the buyers and in addition they seldom have a chance to deal directly with the processors. Except for potatoes and some vegetable crops most trade is carried on through a variety of merchants and agents, so that the farmer loses

His main interest is the price more of the consumers' money, on the day his produce leaves leaving the farmer to pick up the farm. Very few contracts for the usual run of farm products I have seen will specify a fixed price except that for sugar beet. The best that can be hoped for is a contract that is fixed with regard to the market price of the day. Some contracts for milling wheat offer a specific premium, but these are usually tied to buying

marketing chain.

of organising marketing is through a monopoly organisa-tion like the Milk Marketing Board. The Boards may not be the last word in marketing efficiency, but they do at least ensure that each farmer in their area receives roughly the same price for the same quality of

The Milk Boards are not completely independent bodies in that the Government still con-

MOST FARMERS are suspicious buyers can call much of the But they are free to do the best cereals, but they have failed in they can with about half the the end. There are seasonal and total supplies in the manufactory other variations in production turing ma production. market for dairy

The Wool Marketing Board handles all the wool produced in the UK, grades it, and then offers it for sale, mostly by auction. This trading is supported by a fund jointly financed by the Treasury and the growers themselves, which equalises prices out through the years. The growers' price is guaranteed by the Government. If there is a surplus on sales over acquisitions the Treasury gains, while the price to the farmer is guaranteed.

Support

Real problems arise with the cereal and fatstock sector, which amounts to nearly 60 per cent of total farm output. These are the "cream" of farm proa particular merchant's seed.

The only satisfactory way, duction brone than raw from the farmers' point of view, material food processing and distribution.

Prices for these distribution. Prices for these are supported in various ways under the Common Agricultural Policy, but this support is nothing like as secure as that in Britain for milk and wool for instance. In general it takes the form of intervention buying which is often of as much advantage to the trade as to farmers.

Many suggestions have been made for instituting contracts

that influence the tracted market. Buyers must take account of these market prices which are entirely governed by supply and demand so in consequence most contracts contain formulae for price fixing which take this into account. One of the problems in the pig industry is that farmers had the greatest difficulty in keeping loyal to their contracts when the free market was booming.

The Danes have overcome this problem by exercising a rigid control over the whole of their pig industry which covers not only bacon but fresh pork as well. No farmer or processor can escape this discipline, which applies to co-operatives and pri-vate companies alike. It is important to realise that even with this system prices can vary, but it does at least ensure that the product is first class and the farmer is not in the invidious position of seeing his nonco-operating neighbours cashing in when the market is bouyant. In past years the free market, helped by deficiency payments, worked quite well on balance. But things are changing. The number of buyers is shrinking fast. It is not too fanciful to predict that within a few years farmers could be faced by what amounts to a monopoly purchaser. The only answer to this would be centralised selling on

Sugar boosted to 3-month high

BY JOHN EDWARDS, COMMODITIES EDITOR

abead on the London terminal market yesterday to reach the highest level for three months. The London daily price for raw sugar was lifted by £15 to £360 a tonne in the morning. On the futures market the March posirion gained over £8 to close at £406.40 a tonne after reaching

particularly significant since it the shortfall last season that prices collapsed earlier

WORLD sugar prices surged had already been calculated that resulted in a cutback in its sales the Russians would require o to the Soviet Union.

feared.

An additional worry for

imports to satisfy the domestic

now returning to the sugar market in a bigger way after tonnes. But the quantity in able to boost its production suf- having been driven out by the volved is not considered to be ficiently this season to recover heavy losses suffered when

Zimbabwe hopes to export maize

targets for the coming season programme will now be cut are fulfilled, the Minister of short and the last shipment will Agriculture, Senator Dennis arrive this month, making a Norman, said yesterday.

It represents a dramatic im- The latest estimate for the provement in production of 1979-80 season puts commercial what is the staple food for the production at 900,000 tonnes. country's 7m black population. Earlier this year a combination of poor weather and the impact of the seven-year guerrilla war on production in the Tribal Trust Lands had forced Zimbabwe-which had hitherto produced a surplus in most years—to import maize from

South Africa. However, the Minister, who

ZIMBABWE expects to have was speaking to the Financial expected yield of five tonnes per 500,000 tonnes of maize for Times during an official visit to hectare will leave a surplus expert in 1981 if planting London, said that this import after domestic needs of around m tonnes. This, said the Minister, will allow Zimbabwe to resume total of some 50,000 tonnes. exports of maize to Zaire in

> been anticipated earlier this Shaba. year when the South African orders were placed. Maize purchase by the stateowned Grain Marketing Board (GMB) reached a record 1.4m tonnes in 1973, but fell to only 512,000 tonnes in 1979. Figures for 1980-81 snow that 280,000

The bulk of marketed maize is produced by Zimbabwe's 5,400 white farmers. There would be no difficulty in finding a market for any surplus. Apart from Zaire, Zambia and Tanzania are importing maize to make up for substantial short- figure for the year dropping to falls in domestic production. hectares will be planted and an

early 1981. Until June this year

Zaire was buying 10,000 tonnes

a month for the copper and

cobalt mining province of

Upswing in Soviet meat production

MOSCOW - Soviet farmers achieved an upswing in meat production during August but total output for the year dropped further behind last year's performance, the weekly Ekonomicheskaya Gazeta said.

Quoting a report by the offi-cial central statistical board, Ekonomicheskaya Gazeta said that by September one collective and state farms had produced 9.65m tonnes at slaughter weight. This included 1.26m tonne

in August, an improvement of 295,000 tonnes over July but not enough to prevent the overall 4 per cent behind the 1979 level.

BRITISH COMMODITY PRICES

BASE METALS COPPER-Lost ground on the London letal Exchange. After opening at 2881 and initially moving shead to £885 on godest fresh buying, forward metal, ame under persistent trade selling

closing the	e late k	erb at	£876.5.	Turn
COPPER	a.m. Official	H-or	p.m. Unofficial	+-0
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Settlem't 820	—19 — '
U.S. Prod	95.45-102
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2875, 74, 74.B. 75.	Afternoon: Wirebars
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78, 78.5, 79. K	arba: Wirebara, thre
months 6979 77	76, 75, 74.5, 74, 75
	orward metal opens
at £7.380 and fel	(-away to £7,280. o
	fore rallying to £7,29
Reiner annung be	MIR IRMANIA IO TI'S

Mew York

Morning: Standard, cash £7,310, 7,240, 30, 7,200, three months £7,350, 30, 20, 10, 7,300, 7,280, 90. Karb: Standard, three months £7,290. Attarnoon: Standard, cash £7,230, Attarnoon: Standard, cash £7,230, three months £7,300, 25, 20.

LEAD-Firmer. After opening at £391 forward metal moved ahead strongly to touch £398 on the pramarkat, reflecting frash spaculative interest. Profit-taking pared the brica to £393 in the rings but renswed support developed in the atternoon and this pushed three months up to £400 in the atternoon rings. Renewed profit-taking prompted a fail to £395.5 before a close on the late kerb of £396. Turnover 19,650 tonnes.

the price came under modest selling Morning: Cash £379, 78.5, three pressure in the rings but recovered to months £398, 97.5, 87, 98.5, 97, 93,

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CORAL INDEX: Close 496-501 (-4)



WITH METAL AND SOFT COMMODITY REPORTS

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EASTERN TRANSYAAL CON: MINES LUMITED

Close the afternoon kerb at £7,322.5.

Turnover 1,435 tonnes.

a.m. + or p.m. + or 71N Official - Unorificial - Un

hs 13, :5,	LEAD	a,m. Official	+ or	p.m. Unofficial	+ 01
75. 19d on 295	Cash 3 months 8'ment U.S. Spot	378.5	£ +5,75 +2,75 +5,5		£ +6.5 +4,5
O(I				· `	

March Sugar 405.5-407.4

TOP OF THE CHARTS EVERY WEEK

Will will for a free sample copy contact Elli Gifford at:

COMPANY NOTICES

ANGLOVAAL GROUP

Group Companies Closing of Transfer Books and members of the following tompanies call-of which are incorporated in the Republic of South Africa) will be closed for the periods stated for the purpose of determining those persons entitled to attend the annual general meetings of

HARTEBEESTFONTEIN GOLD MINING COMPANY LIMITED MIDDLE WITWATERSRAND (WESTERN AREAS) LIMITED ZANDPAN GOLD MINING COMPANY

London Secretaries 295 Regent Street, London W1R 857, 18 September, 1980.

By Order of the Boards, London Sacretaries, ANGLO-TRANSVAAL TRUSTEES LIMITED. Par: U.S. FARMER.

COCOA

apecuative and constitution must be and the took forward metal up from £352.5 on the pre-market to the day's high of £350 in the rings. The £350 level brought out profit-taking and general selling, however, and lowerd material eased back to close the late kerb at

ZING	a.m. Official	+ or	p.m. 'iefficat	- H 01
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,	Mamino	'- Three	, Mee	the fig	7 ['] 96

Morning: Inree months 1997, 39, 96.5, 96, 93, 92, 94, 93.5, 94, 93.5, 84.5, 94.93. Karb: Three months 2894, 93. Aftermon: Three months 2895, 96. 95.5, 94, 95. Kerb: Three months 2695, 93, 92. a.m. +or p.m. Official - Unoffici'l NICKEL

8pot 2765-75 -2.5 2740-60 -22.5 3 months 2800-5 - 2795-800 -5 Moming: Cash £2,780, three months £2,815, 10. Afternoon: Cash £2,760, Three months £2,805, 2,800. Kerb: three months £2,800.

* Cents per pound. ‡ \$M per picul. † On previous unofficial close.

SILVER Silver was fixed 33.75p an ounce lower for spot delivery in the London buillon market yesterday at 875,55p. U.S. equivalents of the fixing levels wets: spot \$20,93, down 82c: three-month \$21,587, down 84.3c: six-month \$22,268, down 84.2c; and 12-month \$23,687, down 72,3c. The metal opened at 847-858p (\$20,25-20,45), and closed at 871-879p (\$20,75-20,95).

8pot 875.55p -36.7 872p 3 months, 910,05p -35.7 907p 6 months, 940,35p -35.9 18months 1002.00p -32.5

LME-Turnover 133 (375) lots of 10,000 oza. Morning: three months 910, 12, 10, 11, 13: Kerb: three months 911, 12. Afrencon: cash untraded; three months 913, 72, 13, 09, 06, 05, 06. Kerb: three months 906, 05, 03, 900, 888, 95,

LIVERPOOL—No spot or shipment sples were recorded in Liverpool, leaving the total for the week so far at 44 tonnes. Users were again extremely ceutious and avoided commitment. With the cost of cotton at a very high level, COCOA

in relatively quiet conditions, futures traded within a range of £14 and closed marginally lower than Wednesday

Sales: 3.261 (2.169) lots of 10

COFFEE £ per tonna

Sept 1028-35 20 1035-20 Nov 1070-71-18 1068-55 January 1098-96-12.5[108-108 March 1110-15-2.5 1110-108 May 1119-20| 4.5 1120-10 1129-40| 4.5 1130-15 1135-40-15 1140 Sales: 3,727 (4,126) lots of 5 tonnes. Sales: 3,727 (4,129) lots of 5 fornes.
ICO Indicator prices for Sept. 17
(U.S. cants per pound): Other Mild Arabices 124.00 (125.00): Robustes ICA 1978 125.25 (same): ICA 1988 126.50 (same): Unwashed Arabicas 211.50 (same). Comp. daily ICA 1968 186.67 (184.17).

GF	RAINS	}		
WHEA	T		32/	VELEY
i M'nth)	Yesterda; c/ose	+ or -	Yesterday ciose	+-0
Sept. Nov	95,05 98,80 103,00	-0.15 -0.55 -0.55	92,75 96,90	-0,2 -0,6 -0,4
Mar May July	106.80 110.30 114,05	-0.86 -0.86 -0.16	104,10	-0.8 -0.4
Busi 96.00,			eat: Sept. O, Jan. 1	96.40 03.50

102.95, March 107.15-106.75, May 110.70-110.30, July 114.25-114.00, Seles: 170 lots of 100 tonnes. Barley: Sept. 90.20-89.90, Nov. 93.25-92.75, Jan. 97.40-96.90, March 101.00-100.60, May 104.75-704.15. Seles: 259 lots of 100 104.15-104.15. Seles: 259 lots of 100 tonnes.

HGCA — Locational ex-farm spot prices. Feed wheat: S. East 93.90.

S. Wast 94.90. W. Midlands 94.60.

N. West 94.70. Other milling wheat: S. East 95.30. W. Midlands 97.30.

N. West 100.00. Feed barley: S. East 88.20. S. West 88.60. W. Midlands 85.00. The market opened 10p higher but traded lower throughout a featureless day. Salling was attributed to commercial pressure and disappointment with the EEC restitutions. The market closed 15p to 35p down on the day, reported Acii.

RUBBER The London physical market opened slightly easier, gradually moving lower throughout the day, closing on the easier note. Lewis and Peat reported an tob October price for No. 1 RSS in Kuela Lumpur of 304.5 (305.5) cents a kilo and SMR 20 at 255 (288). Sales: 609 (669) at 15 tonnes; 25 (33) at 5 tonnes.

Physical closing pricas (buyer) ware: Spot 61.75p (62.50p) Oct. 64.00p (64.75p), Nov. 65.00p (65.75p).

SOYABEAN MEAL The London market opened easier on ght long liquidation, reports T. G. Roddick. Quieter trading conditions prevailed both in cash and futures,

vels.	rket found support at lower
	Yest'rday + or Business Close - Done
cember. bruary ril ne	2 pertonne 126.50.28.7 — I 127.09 152.00.32.4 — O.95 152.54-152.00 154.20.34.5 — O.75 134.50-154.00 155.30.35.5 — O.75.135.58 135.00.37.5 — O.76
rii	125.30-66.520.80.165,60-156.68

Sales: 134 (343) lots of 100 tonnes.

SUGAR 10NDON DAILY PRICE (raw sugar): 2360.00 (£345.00) a tonne cif for Sept.-Oct.-Nov. shipments. White suger daily price was £465.00 (£356.00). Keen short-covering was apparent at the opening following the strong overnight close in New York. Later, both March and Mey reached the £20. Jimit advance as buyers continued to press. On the reopening, March touched £413 before sasing some £8 during the afternoon when the New York market failed to hold early gains,

No. 4 Con- tract	Yest'rdays Close	Previous Close	Business Done
Man May Aug	£ per \$75,75-76,25; \$92,56-94,75 408,50-08,50 408,90-08,50 408,50-84,50 189,55-82,09 826,50-27,50	584.08-85.09 588.00-88.26 598.00-98.45 578.50-78.50 558.00-58.50	465,50-865,6 415,00-995,0 409,75-391,5 380,70-79,50 369,00-58,00

Sales: 14,492 (9,416) lots of 50 NUMBER 2 CONTRACT—Close (in business sales). order buyer, seller, business, sales). Oct. 378.00, 378.00, 390.00-366.00, 336. Oct. 376.00, 376.00, 390.00-366.00, 336. Sales: 336 (98). Tate and Lyle ex-refinely price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £455.00 (£441.00) for export. International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for Sept. 17. Daily price 35.85 (35.74), 15-day average 32.87 (32.53).

WOOL FUTURES

SYDNEY GREASY WOOL.—Closs (in order buyer, seller, business, sales). Australian cents per pound. Oct. 471.0, 472.0. 489.0, 71; Dec. 480.5, 481.0, 482.0-479.0, 509; March 491.5, 482.0, 484.0-489.0, 316; May 500.0, 500.5, 500.0-485.0, 258; July 504.0, 506.0, 505.500.0, 188; Oct. 500.0, 500.0-488.0, 25; Dec. 500.0, 502.0-489.0, 47; March 501.0, 503.0, 502.0-489.0, 47; March 501.0, 503.0, 502.0-500.0, 15. Sales: 1,529.

LONDON NEW ZEALAND CROSS-BREDS—Closa (in order, buyer, seller, business, sales), New Zealand cents per kilo: Oct. 363, 384, 363, 2; Dec. 370, 371, 370, 2; Jan. 389, 370, 371-359, 5; March 372, 373, 372, 3; May 372, 376, 376, 3; Aug. 374, 376, 376, 4; Oct. 378, 380, 377, 2; Dec. 383, 385, nil, nil; Jan. 384, 380, nil, nil; Jan. 383, 385, nil, nil; Jan. 384, 386, nil, nil; Jan. 387, 2; Dec. 383, 385, nil, nil; Jan. 384, a86, nil, nil; Jan. 385, sil, nil; March 384, 386, nil, nil; Jan. 383, a85, nil, nil; Jan. 384, a86, nil, nil; Jan. 385, nil, nil; Jan. 385, nil, nil; Jan. 387, as a semalar very quiet but the strength of wool in all primary markets is causing a firmer artitude and quotations for tops are being increased. Topmakera are not finding any significent response from spinners and manufacturers. High interest retas are still working against the holding of adequate stocks. SYDNEY GREASY WOOL-Close (in

	Sept. 18 1980	+or	Month ago
Free Mkt Copper	£852.5 \$672.5 £381.75 £398,26 £3 205 00	-10 -7.75 -11.5 -6 -3 +3.5 +4.5	\$1819/48 £861.6 £879.75 £832.5 £854 8634.5 £368.5 £382.25
Platin mtr'y ez Free mkt Quickslivert Sliver troy oz 5 mths Tin Cash 3 mths	2267,65 \$410/420 875.55p 910.05p £7,200 £7,290	_6.8 _55.76 _55.76 _70 _55	£182,50 £278,56 \$405,416 673,20p 699,80p £7,147,5 £7,147,5
3 months Producers Oils	8151/154 £349 £358,25 \$760	+ 9. 5 +6	\$144,74 \$149/162 £352.6 £344.6 \$780
Coconut (Phil). Groundnut Linseed Crude. Paim Malayan. Seeds Coors Philip	\$590x ± £385 536v		\$620 \$401 \$522.5

Commodities

Cocca ship't....£1,079 —7 £1,058
Future Dec. £1019.5 —5 £997.5
Coffeef t' Nov.£1,070.5 —18 £1,866
Cotton A,Index100.70s —0.2995.70c
Rubber (kilo).....£1,75p —0.7563p
Sugar (Raw).....£250 +18 £320
Woolt'ps 84s ki...£91p kilo +3 288p kilo

POTATOES

LONDON POTATO FUTURES-Lack of sellers at lower prices caused some firmness in the market on reasonable turnover. Some evidence of quality problems on quantities destined for proteins on quantities destined for storage was suggested as the reason for firmness, reports Coley and Harper. Closing prices Nov. 41.70 +130 (high 42.00 low 40.90), Feb. 48.80 +140 (high 48.80 low 47.80), April 55.50 +90 (high 56.00 low 54.70). Tetal traded 96 (70) lots of 40 tonnes.

PRICE CHANGES in tonnes unless otherwise stated.

considerably higher than had

	Sept. 18 1980	+ <u>o</u> r	Month ago	1
	<u> </u>			
Metals Aluminium Free Mkt	£810 615 \$1570 17 8 0		£810/816 \$1810/40	
Copper	l :			
Cas w bar	£851	10	2861.5	
3 mths	2878.75 2823	-/./b	£879,75 £832,5	
Cash Cathode 7 mths	£852.5		2854	
Gold troy oz			8634.5	
Lead Cash	£381.75	+3.5	£368.5	
ead Cash o mnths	£398,25	+4.5	£382.25	
Nickel	£5,205.00			
Freemkt (eif (ib	200/315c		290/315c	
-1-43 1	0000		£182.50	!
elatin'mtr'y ez Free mkt Quickslivert	1007 CE	6.8	£278,56	
rres mkt	2401,00 8410:490	-0.0		
Sliver troy oz	875.55n	_88.76	\$405/416 575,20p	
6 mtha	910.056	-55,75	699,80p	Ī
			£7,147,5	
in Cash 3 mths	£7,890	_65	27,147,5	
ung sten22,04%	\$145.76	+0,88	\$144,74	1
Wolfrm 22.04 ibs	8161/154	l	\$149/152	
Zinc cash	£349	+9.5	£332.5	,
		+6	£344.5	
Producers	\$780		\$?80	
Dila	1	1	I	
Coconut (Phil).		—25	5 620	
Groundnut	-±		‡	-
Linseed Crude.	£385		£401 \$522.5	•
Palm Malayan.	5350	—z,6	acka.o	•
Seeris		. 1		,
Copra Philip	8405r		8430	
Soyabean(U.S.)	\$343:	+1	\$314	-
Brains	ا ۔۔۔ ۔۔ ا	لـــا		
Seriey Futures	£92.75	 0.85	£93,20	í
Malze French NoSAM	£122.50		£123.5	
renon Nosam Vheat	باد.ممدع		لايلاشدت	
No.1 Red Spg.	±		±	
No SHardWint	£97,20:	M-M.III	£97,15	
No.1 Red Spg. No.3 HardWint Eng. Millingt			ŧ	
Other			ı	

MEAT/VEGETABLES MEAT COMMISSION—Average fat-stock prices at representative merkets on September 18. GB cattle 69.51p per kg lw (-1.99); UK sheep 113.88p per kg set dcw (-2.69); GB pige 67.49p per kg lw (+0.01). No, TEN—Sagger SMITHFIELD—Pence per pound. Beef:

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 60.8 to 65.2; Ulster hindquerters 72.5 to 74.5, fore-quarters 42.5 to 44.5; Eira hindquerters 72.0 to 74.2, forequerters 42.0 to 43.8. Veel: Dutch hinds and ends 103.0 to 10.5. Lamb: English small 62.8 to 58.2, medium 51.6 to 55.2, heavy 44.4 to 50.0; Scottish medium 52.0 to 54.5, heavy 45.0 to 50.0. Imported frozen: NZ PL 58.0 to 57.5, PM 48.5 to 60.8. Pork: English, under 100 ib 40.0 to 49.2, 100-120 ib 38.5 to 48.0, 120-160 ib 38.5 to 45.5. Grouse: Young, best (asch) 200.0 to 240.0, old (each) 100.0 to 140.0.

COVENT GARDEN—Prices in stelling per package except where otherwise

COVENT GARDEN—Prices in starling per package except where otherwise stated: Imported Produce: Oranges—Brazilian: 72/138 4.00-4.80. Lamons—Italian: 100/150 6.00; Spanie: Treys 25/45 2.40-2.80, Boxes 5.50-8.00; Outspan: Trays 45/75 4.80-5.00. Grapefrult—Dominican: 36/87 7.50; Honduras: 36/48 6.20-6.40. Tangerines—Brazilian: Honey 1-boxes 4.30-4.50. Apples—Franch: Golden Delicious approx. 20-1b. 72 1.90-2.00: 40-lb 125/150 4.00; Spanish: Granny Smith 40-lb 5.00-7.00. Pears—Franch: Per 28-lb Williams 2.80-3.00; Italian: Per pound Williams 0.13-016. Peaches—Italian: 13-tray Halas 3.00: Italian: Per pound Williams 0.13-0.16. Peaches—Italian: 13-trays Hales 1.80-2.60, Others 1.60-2.40. Nector-incos—Italian: 4.00-5.00. Plums—Italian: 8.00-5.00. Plums—Italian: 8.00-5.00. Plums—Italian: 8.00-5.00. Grapes—Italian: Ragina per pack 1.40-1.60. Wins per pound 0.10: French: Alphonse Lavalles 6-kilos 2.20; Cyprus: 11-lb Roseki 1.80, Alphonse 1.80. Sultans 1.60-1.70: Spanish: Almerie 1.90-2.30, Black 2.30. Melons—Spanish: Yellow 10-kg 2.20-2.80, Green 7/11a 2.80-3.00. Water-Melons—Greek: Per 15-kg 3.00: Italian: 18-kg 6s 3.00.

AMERICAN MARKETS 50.45 (50.35), Feb. 54.12, April 53.02, June 56.47, July 57.42, Aug. 56.00, Oct. 53.72, Dec. 54.15,
##Maize—Sept. 348-349½ (347½), Dec. 54.14, 352½, (351½), March 364-363½, May 367½-367½, July 367, Sept. 364-356½. NEW YORK, Sept. 18. PRECIOUS METALS were basically steady to mixed with light commission house buying on rumours of OPEC cutbacks in oil production. Copper backed off slightly on profit-taking. Sugar merket rallied limit up on expec-USSR and India. Coffee recovered moderately on short-covering. Cocos continues to attract buying interest and price fixing and finished with slight 70.37. Silver—Sept. 2090.0 (2030.0), Oct. 2100.0 (2040.0), Nov. — Dec. 2155.0-2160.0 Feb. 2210.5. April 2263.5. gains. Cotton was the target of bargain hunting and railied smartly for the day. The livestock complax was narrowly mixed in cartia and slightly higher in hogs and bellies on general June 2316.5, Aug. 2369.5, Oct. 2422.5, Dec. 2475.5, Feb. 2529.5, April 2583.5,

Chicago Imm Gold—Sept. 573.0 (673.0), Oct. 675.0 (678.0), Dec. 892.5, tem conte Jan. 101.3, March 719.5, April 728.0, (250.04). June 748.0, July 754.8.
Lard-Chicago Loose 22.75 (23.00).
New York prime steam unavailable.
Live Cattle-Oct. 68.87 (68.85), Dec.
70.42 (70.57), Jan. 71.80, Feb. 72.02,
April 73.92, June 74.92, Aug. 74.70,

bargain hunting and reliied smartly for the day. The livestock complax was narrowly mixed in cattle and slightly higher in hogs and ballies on general evening-up before the pig crop report. Soysbeans and maize raflied the close while wheat was mixed on forward apredeing, reported Helnold.

Copper—Sept. 192.20 (92.35), Gct. 245.0-245.5 (850), Jan. 8742-8732.

92.65 (92.80), Nov. 93.60, Dec. 94.50, July 100.10, Sept. 192.20 (92.35), Gct. 245.0-244.5 (243.7), Dec. 250.8-265 (92.80), Nov. 93.60, Dec. 94.50, July 100.10, Sept. 101.65, Dec. 104.10, July 100.10, Sept. 101.65, Dec. 104.10, July 109.85.

Protectes (round whites)—Nov. 92.4 (91.5). March 132.4 (130.8), April 153.1, Sugar—No. 11: Oct. 38.55 (38.93), Jan. 33.88. Sales: 13.200.

Chicago (mm Gold—Sept. 16. 673.0), Oct. 675.0, Oct. 675.

(250.04). All cents per pound ex-warshouse unless otherwise stated. *\$ per troy ounce. 9 Cents per troy ounce. 1t Cents per 56-lb bushel. | Cents per 60-lb bushel. || \$ per short ton ** 000 lbs). § \$Cen. per metric ton. \$§ \$ per 1,000 sq test. ‡ Cents per dozen. Live Hogs-Oct. 47.35 (47.20), Dec.

ROTTERDAM, September 18. Wheat-U.S. No. 2 Dark Hard Winter,

EUROPEAN MARKETS Wineat—U.S. No. 2 Dark Hard Winter, 13.5 per cent, Oct. 211, Nov. 214, Dec. 219. U.S. No. 2 Red Winter, Oct. 202. Across Sept. 293, Oct. 297, Nov. 205. U.S. No. 2 Northern Spring. 14 per cent. Sept. 211, Oct. 214, Nov. 217, Dec. 224. May 225. Nov. 165, Dec. 167.50, Jan.-March 174.50, April-June 177, July-Sept. 176. May 1630-1045, July 1040, Sept. 1050. Soles at cell: Nil. Sugar (FFr per 100 kilos)—Nov. unquoted, Dec. 3730-3745, March 3900-3905, May 3880-3920, July 3760-3840, Aug. 3790-3850, Oct. 3850-3700, Nov. unquoted. Sales at cell: 56.

DOW JONES

INDICES

Sept 17 Sept 16 Mnth ago Year ago 278.98 279.92 275.78 295.22 (Base: July 1, 1952=100)

MOODY'S

Sept. 17(Sept. 16)M'nth ago Year ag o

1312.4 1305.8 1238.9 1142.0

(December 31, 1931 = 100)

FINANCIAL TIMES

Sept. Sept. Month Year 17 16 ago ago Spot ... 460.51 463.82 447.27407.13 F tur s 473 83 478 94464.85413.32 (Avaraga 1924-25-26=100) REUTERS

Bananas—Jamaican: 28-lb, per pound 0.19. Tomatoes—Jersey: 1.70-1.90; Dutch: 2.20: Guernasy: 2.00-2.40. Onlora—Spanish: 2.20-2.80: Dutch: 2.30. Cabbages—Dutch: White 2.80-3.00. English Produce: Potatoes—Per bag, new 1.20-1.80. Mushrooms—Per pound 0.40-0.50. Apples—Per pound Howgate 0.06-0.07. Derby 0.06-0.07. Laxton 0.12, Tydeman's Early Worcester C.C8-0.12, Bramleys 0.08-0.10. Worcester Pearman 0.08-0.14. Cox's Orange Pipping 0.20-Bramleys 0.08-0.10. Worcester Pearman 0.08-0.14. Cox's Grange Pippins 0.20-0.25. Pears—Per pound Williams 0.10. Conference 0.10-0.12. Bristot Cross 0.09. Plams—Per 12-10 Darsons 1.80-2.00. Marjone Seadlings 2.40-2.60. Laxton Cropper 1.30-1.40. Strawbarles—Per 1-10 0.25-0.30. Cabbages—Per bag 1.40. white cabbage 2.60-2.80. Cauliflowers—Per 12 3.00-3.40. Beatrots—Per bag 1.00. Cueumbars—Trays 10/20 1.50-2.40. Tomatoes—Per 12-ib 1.60-2.00. Lattuce—Per 12 round 0.80-1.00.

Cos 1.20, Webbs 1.20. Sprouts—Per 2.80. Celery—Per pack 20/30 2.40-2.60, naked 1.25 1.00. Capaicums—Per pound 0.25. Runner Beans—Per pound 0.14-0.18. Swedes—Per 28-16 Devon 0.80. Courgettes—Per pound 0.18. Cob Nuts—Per pound 0.18.

Sept.18|Sept. 17|M'nth ago|Year ago

1758.3 1756.9 1736.4 1620.2

GRIMSBY FISH—Supply mederate, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod 65.30-67.80, codlings 63.20-62.20; haddeck (large) £4.20-£4.80, medium £3.00-£4.00, small £1.40-£2.50; Plaice (large) £5.40-£8.00, medium £5.40-£6.40, best small \$13.40-£4.80; skynned domfen (kersel) £3.40-£4.80; skinned dogfish £8.00-£9.00, medium £5.50-£6.50; fish C1.00; reds C1.80-C2.30; sauthe f2.30-f3.40, pound 0.10. Com Cobs—Each 0.10.

GKN dividend cut reverses equity market trend and index loses 7.1 gain to close 3.1 down at 497.7

Option

*First Declara- Last Account Dealings tions Dealings Day Sept. 1 Sept. 11 Sept. 12 Sept. 22 Sept. 29 Oct. 9 Oct. 10 Oct. 20 * "New time" dealings may take place from 9 am two business days

A highly promising upturn in London stock markets was reversed abruptly yesterday afternoon by Guest Keen's shock interim dividend cut, half-yearly profits matching lowest market estimates and a warning about second-half prospects. Early strength resulted from several encouraging pointers ranging from the Bank of England's view on inflation and public spending, which backed up recent Treasury predictions of a marked slow-down in both over the next six months, to dock peace hopes. Wall Street's continued strength and at 2.00 pm the FT 30-share index was 7.1 up and looking set to test its 1980 high; an hour later, it was a net 0.6 down and the fall was extended to one of 3.1 at the close of 497.7.

The Bank's comments about the financial pressures on in-dustry, initially ignored by the equity market, were driven home with impressive force by GKN's statement and the company's interim dividend reduction was the second by an index constituent in a week. GKN fell dramatically from 234p to close at the day's lowest of 198p, down 30 on the overnight level. In sympathy. Tube Investments shed an early gain of 7 to end a net 10 off at 232p and other leading industrials closed well below the best. Another index constituent to show weakness was Distillers which, on the chairman's warning about pros-

pects, dropped 10 to 215p.

The Bank's stress on the importance of controlling public sector borrowing together with the report that the Government was seriously considering peg-ging the sector's wage rises induced some support for Giltedged securities. The announcement that tenders for the new long tap stock, Exchequer 12 per cent 1998 "A," had been allotted in full was expected and this market, too, appeared on course for continued strength. The agreed dock peace formula gave additional cause for improvement, but the movement faltered after the GKN message and slipped further on a report that the Cabinet had decided that the time was not yet right for any

cut in interest rates.

but these were also being reduced in the after-hours' trade. Shorter-dated issues, similarly, had their gains halved from 1 to

Demand for Traded options fell away sharply and only 645 deals were arranged, the lowest total so far this month. GEC attracted a fair measure of support with 188 trades, while Cons. Gold Fields were dealt 111 times on the back of the pleasing annual results.

London United good

Very firm and fairly active trading conditions prevailed in Insurances. London United Investments featured Composites Eagle Star gained 4 to 270p on further consideration of the satisfactory interim results. Comment on the better-thanexpected half-year results helped Legal and General improve 4 more to 257p among Life issues in which Prudential added 10 to 68p and Pearl, 438p, and Britannic, 268p, rose 6 apiece. Lloyds Brokers continued to make progress Faber's good results attracting fresh support in the sector. Willis Faber advanced 9 more to 269p, while Stewart Wright fraction better at 35p, after a rise of 4 to 31p, after 33p. son, 242p, C. E. Heath, 222p, and 35p, despite the halved interim Sedgwick, 136p, all appreciated profits.

Although entirely not expected, GKN's decision substantially cut the interior of the control Stenhouse rose 4 to 96p.
Discount Houses closed firmer

putting on 5 to 400p and Lloyds The bearish tone of the chair-man's statement at the annual meeting prompted further marked weakness in Distillers. 10 lower at 215p. Other Wines and Spirits eased in sympathy. Breweries were mixed. leaders ended a shade easier with Scottish and Newcastle shedding 11 to 68p, but regional issues were selectively firm. Wolverhampton and Dudley improved 6 to 196p, while the satisfactory progress made by Boddingtons in the first-half left

the exception of Midland, which

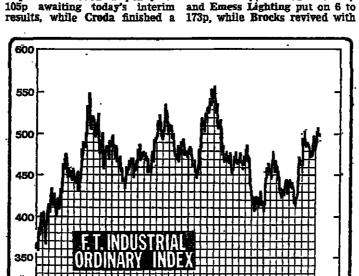
gave up 4 to 358p, the major

clearers trended firmly, NatWest

Quietly firm conditions pre-vailed among leading Buildings. Elsewhere, Montague L. Meyer touched 103p before closing a net 2 dearer at 100p as speculative interest revived. Crouch Group added 5 to a 1980

the shares 3 up at 95p.

Demand for ICI petered out Sony jumped 35 more for a twoaround mid-session and the close day advance of 75 to 680p on was just a couple of pence further consideration of the higher at 356p, after 360p. record 9-monthly profits. Webber Laporte hardened a penny to Electronic appreciated 8 to 102p



Kitchen Queen flat

Despite announcing interim profits below general expectations, the maintained dividend and accompanying statement statement, particularly the warn-helped UDS gain 2 to 68p. Other ing about second-half prospects, Store majors recovered from an easier opening and closed a penny or two higher. Gussies "A" were particularly firm, rising 6 to 470p. Further profittaking clipped 4 from Cornell Dresses, 64p, but speculative interest was directed to Martin and Fine Art Developments. 5 better at 78p. News of a further £1.5m provision against losses in its retailing interests depressed Kitchen Queen, 4 down at 9p. after 8p. Mail-orders were also dull, with Empire and Grattan 140p, and 54p respectively; the latter announces interim results next Wednesday.

Although closing below the best, gains in the Electrical leaders still ranged to 7. Rally-

Although entirely not unexpected, GRN's decision to substantially cut the interim dividend prompted dealers to immediately mark the shares down from an initial firm level of 234p to 212p; consideration about the rest of the gloomy statement, particularly the warnsparked off selling which saw the shares close 30 down at a

John Brown lost an early rise of Elsewhere, Delta Metal put on 3½ to 58½p, after 60p, following better-than-expected interim results. Westland found renewed support at 151p. up 6, and ML put on 5 to 360p. Ductile Steels added 4 to 67p as did Davy Corporation, to 117p. B. Elliott

per cent 2000 settled only i up at 100½, after 101½, while the recently-exhausted medium tap. Treasury 11½ per cent 1991 "A." Ben Bailey 2 firmer at 18p. closed i higher at 47½, after 48½. Rises elsewhere among medium-longs extended to a full point of the last-named in a thin market. half profits, Thorn EMI closed 6 decline in profits was largely sideration of the disappointing discounted. Among other Foods, interim statement left Bennose at 358p, after 360p. GEC discounted. Among other Foods, interim statement left Bennose at 358p, after 360p. Tate and Lyle put on 4 to 168p at 2 cheaper for a two-day fall of 7 after 540p, while Racal closed a similar amount dearer at 332p. The first and Lyle put on 4 to 168p at 2 cheaper for a two-day fall of 7 after 48½. Others to attract support insimilar amount dearer at 332p. BICC rose 7 to 153p and Bowlongs extended to a full point of the disappointing discounted. Among other Foods, interim statement left Bennose at 358p, after 360p. Tate and Lyle put on 4 to 168p at 32pp. The undertone in Properties was firm, but best levels were thorpe 6 to 171p. Elsewhere, Dairies continued firmly, up 4 on always held. MEPC finished 3 dearer at 251p, after 253p, and more at a 1980 neak of 242p, but more at a 1980 peak of 242p, but

J. Sainsbury eased 5 to 515p. Elsewhere, buying in a thin market lifted Bluebird Confectionery 4 to 45p, but Bernard Matthews shed 12 to 255p on small selling. Hotels and Caterers featured Ladbroke which put on 7 to a next Monday's preliminary results

Johnson Matthey up

The early afternoon amouncement of GKN's abysmal interim statement prompted a swift in yesterday's issue was incorrect. industrial leaders. Closing levels were below the best with Glaxo finishing 4 up at 258p, after 260p, and Unilever 8 higher at 508p, after 511p. Metal Box came back from 292p to close unaltered at 286p, while Turner and Newall. the other major blue-chip to recently cut its half-yearly dividend, lost 3 to 104p. Else-where, Johnson Matthey rose 17 for a rise on the week so far of 37 at 273p on further consideration of the company's bullion coast of Ireland indicated only interests and on revived sugges a modest flow of oil prompted tions of a possible bid from Charter Consolidated. Polymark rose 8 to 90p following the chairman's encouraging statement response to speculative support.

Booker McConnell, 53p, and T.

Marshall Loxley A. 26p, both improved 2 following their respective interim statements but the statement of the Steetley fell 6 to 188p on the first-half profits contraction. News of the interim dividend omission and half-year profits setback also clipped a couple of pence from Brown Boveri Kent at 28p.

Lucas fell 9 to 201p in sympathy with the poor interim statement from GKN. Automotive 1980 low of 198p. The figures statement from GKN. Automotive demoralised other engineering Products eased 3 at 68p, but leaders; Tubes, up 7 earlier other Motor Components trended other Motor Components trended closed 10 down on balance at firmer. Dowly, 244p, and Flight 232p, while Vickers declined 4 Refuelling, 271p added 3 apiece, to 131p, after 136p. Hawker while Kwik-Fit hardened 2 to reacted from 240p to close only 95p. The sharp drop in first-half a net 2 dearer at 234p, while earnings from Harold Perry was much as expected and the shares. around 4 to finish unaltered at dull of late, rallied strongly to close 8 better at 71p.

Among firm Newspapers, Associated advanced 8 to 273p, while Daily Mail A rose 13 to 488p. United, interim results due Tuesday, picked up 2 at 210p, but the slump in interim profits and Corporation, to 117p. B. Elliott gloomy statement clipped 2 from lost 7 to 238p on the chairman's Liverpool Daily Post, 98p, after ing further from the depressed net 4 cheaper at 174p after poor results and closed 7 up at level of 344p which followed last touching 180p immediately fol- 140p. Elsewhere, Inveresk

3 dearer at 251p, after 253p, and Land Securities a penny up at 391p, after 392p. Secondary issues were featured by Marier Estates which, after recent strength, jumped 14 to 108p, after 112p, on the announcement of a bid approach. Buying ahead, of lifted A. and J. Mucklow 7 to 210p. Second City Properties added 2½ to 70p on the satisfactory annual results and property revaluation. McKay Securities held at 160p; the price

Aran Energy fall

The Oil majors made progress on Saudi Arabia's move to unify basic oil prices, British Petroleum and Shell adding 6 apiece to 258p and 414p respectively. Vague bid rumours accompanied demand for Ultramar which put on 14 to 378p, after 382p. Press comment suggesting that British Petroleum's second well off the a modest flow of oil prompted selling of Aran Energy which, on the company's near-17 per cent stake in the venture, dropped to 350p before closing a net 50 down at 370p. Capital issues continued to

make the running in Investment Trusts with gains often extending into double figures. City and Commercial Capital rose 10 at 21Sp, while Dualvest Capital put on 12 to 376p. Rothschild overcame the recent family altercation and closed 9 higher at 361p. Among Financials, the increased interim profits and dividend lifted Corinthian 2 to 33p, while reflection of the recent strength of the Gold market helped stockjobbers Smith Bros. 4 up at 41p. **Ouiet Mines**

ably quieter after the flurry of activity on Wednesday. South African Golds tended to ease for most of the day reflecting a mar-ginal decline in the bullion price—finally \$3 down at \$672.50 an ounce—with one or two attempts at a rally being met by modest profit-taking. Most issues closed a fraction easier, and the

FINANCIAL TIMES STOCK INDICES 70.47 70.76 70.84 70.78 71.19 70.61 71,71 71.75 71.89 71.86 71,78 500.8 498.5 500.7 508.9 503.0 458.1 Industrial Ord... 487.7 487.9 464.7 470.3 468.4 448.8 211.5 7.35 7.33 7.37 7.35 7.82 7.30 7.12 17.36 17.37 17.35 17.33 17.00 17.23 18.44 Gold Mines Earnings, Yid. % (full) 7.05 7.02 7.05 7.17 7.07 6.60 P/E Ratio (net) (")____ 7.02 20,602 19,974 21,197 22,304 23,896 22,478 18,263 Total Bargains ______120.54 94.90 129.55 167.76 128.79 85.94 ________11,906 17,474 17,907 19,957 17,547 12,187 Equity bargains total 10 mm 504.7, 11 mm 505.9. Noon 508.7. 1 pm 507.4.

Basis 100 Gove. Secs. 15/10/26. Fixed Int. 1928; Industrial Brd. /35. Gold Mines 12/9/55. SE Activity July-Dec. 1942. HIGHE AND LOWE

nic.	KUD 1	MIN I	LUMS	<u>.</u>	S.E. MU		
<u> </u>	19	80 : - 1	Since Co	mpliat'n	- : :	Sept.	Sepi
•	High	Low	High.	Low	-Dally		
Govt Secs	72.54 (21/1)	63.85 (7/3)	127,4 (8(1/58)	49.18 (6/1/75)	Gilt Edged Industrials Speculative.	107-4 118.6 68.4	117
Fixed Int	74.08 (24/7)	64,70 (18/5)	150.4 (23/11/47)	50,53 (8/1/16)	Totals	81.9	84
Ind.Ord	508,9 . (12/9)	405.9 . (4/1)	558,6 (4/5/79)	49.4 (28/8/40)	5-day Avrge. Gilt Edged		111
Gold Mines.	.487.9 (1778)	265.5 (18/5)	487,9 (17/8/88)	43,5 (28/19/71)	industrials Speculative.	125,2	-181

The London Financials suffered 550p. from profit-taking after Wednes day's substantial gains. RTZ changed. Killinghall rose 25 gave back 12 of the previous more to 400p, while Berjuman day's rise of 19 and closed at put on 8 to 273p. Berait In 475p, but Gold Fields staged a and Wolfram gained 5 to 72p. 475p, but Gold Fields staged a good rally in the afternoon and ended only 2 cheaper on balance at 608p, after touching 600p. Australians held steady in sub-

dued trading Peko-Wallsend attracted further support on further consideration of the recent Tennant Creek gold find

Elsewhere the Dublin basel Silvermines came under he pressure and dropped to 168p before recovering to close a nei 19 down at 1150 reflecting the sharp fall in Aran Energy in which Silvermines has a 21.7 per cent holding.

NEW HIGHS AND LOWS FOR 1980

NEW HIGHS (294) BRITISH FUNDS (7)
AMERICANS (14)
CANADIANS (1)
BANKS (7)
BEEES (2)
BEEES (2)
RAPERY & STORES (2)
RAPERY & STORES (10)
ROSEN (3)
HOTELS (1)
INDUSTRIALS (18)
INSURANCE (17)
LEISURE (1)

BUILDINGS (2)

Barker & Dobson INDUSTRIALS (7) DAPERS (1) TEXTILES (1)

RISES AND FALLS YESTERDAY

British Funds	18 1 46 329 156 998
Pinancial and Prop. Oils	278 22 396 22 8 26 7 2 5 46 46 66 63 23 76
Totals	807 261 1.339

UNIT TRUST SERVICE profits warning. Rowntree Mackintosh closed a tinued to recover from the while

pare gains, particularly in the peak of 108p and Burnett and level of 344p which followed last trading stocks, and Treasury 13 Hallamshire advanced 15 to 790p, Friday's forecast of lower first-OFFSHORE & lowing the interim results; the rallied 3 to 25p, but further con-FT-ACTUARIES SHARE INDICES **ACTIVE STOCKS**

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

-	EQUITY GROUPS	Th	urs., S	Sept.	18, 19	080	Wed., Sept. 17	Tues., Sept. 16	Mon., Sept. 15	Fri., Sept. 12	Yea ago (appro
Figu	& SUB-SECTIONS res in parentheses show number of stocks per section	Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gress Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	index No.	lizdex . No.	Index No.	Index No.	inde No.
1	CAPITAL \$000S (171)	296.16	+0.4	15.16	5.59	7.97	294.89	292.63	293.41	296.77	237.0
2	Building Materials (28)	262.06	+0.6	17.64	6.51	6,72	260.52	259.79	261.93	.261.27	230.
3 [Contracting, Construction(27)	437.01	+0.7	21.27	5.58	5.58	433.86	432.46	432.97	430.48	378.
4	Electricals (17)	905.16	+0.9	19.68	2.94	11.46	897.19	889.42	888.21	915.94	605.
5	Engineering Contractors (11)	356.79	+0.7	17.35	7.29	7.35	354.26	359.83	353.92	350.37	325.
6	Mechanical Engineering (72)	186.76	+0.4	15.53	7.12	7.86	186.10	184.55	186.30	187.26	161
8	·Metals and Metal Forming(16) CONSUMER GOODS	170.00	-1.8	20.72	9.88	5.76	173.04	170.48	168.97	168.91	156.
цĺ	(DURABLE) (49)	250:27	+0.8	14.97	5.03	9.18	248.33	247.13	248.71	253.81	238
2	Lt. Electronics, Radio, TV(14)	386.68	+13	12.51	357	12.23	381.59	379.93	382.27	392.15	329
3	Household Goods (14)	88.72	-0.7	27.12	11.09	4.65	89.32	89.54	89.44	89.11	142
14	Motors and Distributors (21)	102.27	-0.9	21.62	9.19	5.32	163.21	102.38	103.27	303.91	108.
- [CONSUMER GOODS	Į.	ļ	[['	Ι.	[-	1	Į.	•
21	(NON DURABLES) (172)	246.76	+0.5	16.75	6.55	7.21	245.65	245.30	246.86	248.78	232
22	Brewerles (14)	297.09	-0.2	15.30	6.20	7.63	297.58	2%.55	298.11	290.59	283.
23	Wines and Spirits (5)	314.51	-3.9	19.46	6,48	6.08	327.15	325.97	329.52	333,12	323.
24	Entertainment, Catering (17)	352.05	+0.9	36.46	6.35	7.48	349.07	348.38 222.83	350,29 224,93	350.03 225.09	306. 205
25	Food Manufacturers (22)	226.47 403.65	+0.8	17.86 11.62	6.7 0 3.85	6.59 18.22	224.73 402.44	395.54	401.95	401.33	300
26 20	Food Retailing(13)	448.82	+1.4	20.93	7.12	6.39	442.43	438.41	441.63	437.46	418
ž	Packaging and Paper (15)	129.63	+0.9	27.26	10.06	4.27	128.50	128.78	129.26	130.73	137
34	Stores (45)	243.77	+10	12.75	5.15	10.22	2471.33	242.81	242.52	246.85	229
55 I	Textiles (21)	120.80	+0.2	25.94	12.74	4,70	120.59	120.47	128.98	120.39	151
36	Tobaccos (3)	232,96	+0.7	24.64	9.99	4.62	231.45	234.99	236.87	240.29	240.
57.	.Toys and Games(5)	24.67	8.9 -	9.12	 15.46	25.36	24.86	25.04	25.46	25.46	67.
;1	OTHER GROUPS (99)	228.82	+8.7	15.50	6.82	7.74	227.25	226.08	227,62	229.91	202
12	Chemicals (16)	314.73	+0.6	17.44	7.72	6.72	312,78	312.18	312.80	322_49	284.
13	Pharmaceutical Products (7)	242.64	+0.7 +1.7	10.34	5.71	11.96	240.29 103.26	238.40 103.57	240.75 105.32	240.88 105.51	227. 118
4 5	Office Equipment (6)	104.97 591.54	1 1 1 1 1 1 1	19.58	7.90 6.02	5.97 9.47	591.83	588.81	595.86	604.46	450
6	Miscellageous (60)	285.97	+0.7	16.22	6.51	7.51	283.91	281.94	283.97	282.62	238
8	INDUSTRIAL GROUP (491)	262.94	+0.5	15.90	623	7.65	263.57	260.46	261.87	264.55	233
á	Oils (9)	806.67	+15	29.94	656	3.72	795.05	805.24	809.23	816.61	627
7	500 SHARE INDEX	306.09	+0.7	18.78	6.30	6.28	363.92	303.69	305.30	308.36	265
ΞÌ	FINANCIAL GROUP (118)	256.71	+11	 -	5.09	=	253%	251.83	233.57	254.37	192
2	Banks(6)	252.72	+0.6	40.43	6.65	2.96	251.22	251.33	252.83	257.70	223
3	Discount Houses (10)	300.84	+1.7	_	5.90	_	295.68	296.89	296.89	295.56	252
4	Hire Purchase (5)	231.18	+0.5	10.73	4.37	12.57	230.86	230,36	234.24	234.56	170.
5	Insurance (Life) (10)	269.93	+26	 -	4.88	l —. 1	263.18	256.26	259.72	256.50	160.
<u>6</u>	Insurance (Composite) (9)	183.32	+1.0		6.19		181,51	178.69	181.35	180.49	125.
7	Insurance Brokers (9)	366.44	+3.7	12.64	6.32	10.83	353.22	342.84	328.55	325.01	277.
8	Merchant Banks (12)	148.14 473.78	+0.9	3.00	4.84 2.52	46.56	146.81 471.85	146.72 469.73	147.15 472.53	146.62 474.19	101.3
ומו	Miscellaneous (12)	154.51	+0.6	15.30	6.00	40.30 8.29	153.57	469./3 153.91	155.22	157.88	123
7	Investment Trusts (109)	283.85	+1.4	- 	512	0.27	279.97	217.A3	277.47	275.40	213
il	Mining Finance (3)	262.55	-15	13.37	4.96	8.92	266.42	257.02	262.28	263.32	127
n l	Overseas Traders (20)	455.39	+0.3	11.04	6.48	10.91	451.86	446.95	459.05	446.84	343
न		298.09			5.96				296,39		245

91	Overseas Traders (20				-0.8 11.	04 į	6.48	10.91	451.86	440.95	459.05	446.84	348.37
99	ALL-SHARE INDEX	(750)	2	98.09] . +	-0.8	- 1	5.96	_	295.83	294.65	296,39	298.49	245.13
:	FIXED INT	EREST P	RICE IN	DICES		ŀ		CED INT YIELD Govl Av.		- 1	Thurs., Sept., 18	Wed., Sept. 17	Year ago (approx.)
1	British 'Government	Thurs., Sept. 18	Day's change %	xxi adj. today	xd adj. 1980 to date	1 2 3			5 years 15 years 15 years		11.54 11.54 11.54	11.65 11.65 11.65	10.24 10.78 11.32
1 2	Under 5 years	106.85 113.68.	+0,16 +0,74	0.26	7.62 9.07	5 6	Coupon	5 3	5 years 5 years 5 years		12.87 13.66 12.87	12.99 13.18 12.95	12.32 12.41 12.49
3 4	Over 15 years	119.81 133.55	+0.68 +1.14	-	9.56 9.82	7 8 9		. 7	5 years 5 years 5 years		13.05 13.36 13.07	13.13 13.46 13.14	12.71 12.87 12.74
.5	All stocks	113 <i>2</i> 1	+0.54	8.07	8.62	10	Irredee	nables			11.07	11.19	11.77
				Thur., Se Index No. !	S	red. ept. 17					Wed. Sept.	Tues. Sept.	Year ago (approx)
15 16	20-yr. Red. Deb Investment Trus			55.51 †: 51,77	1	5.47 L.68	1		55,32 51,33	ı	1	52,96 61,28	58,10 51,23

Coml. and Indl. Prefs. (20) | 67.89 | 13.23 | 67.92 | 67.92 | 67.92 | 68.07 | 68.12 | 67.91 | 67.75 | 69.54

Closing Change 1980 tion marks price (p) on day high Burmah Oil Burmah Oil £1 Eng. China Clays 25p 108 78 Fine Art Devs.... 5p 326 198 260 £20‡ 535 198 279 380 £381 Vaal Reefs R0.50

OPTIONS

tion ment Sept. 8 Sept. 19 Dec. 4 Dec. 15 Sept. 22 Oct. 3 Dec. 18 Dec. 29 Oct. 6 Oct. 17 Jan. 8 Jan. 19 For rate indications see end of Share Information Service

Town and City Properties, Harmony, Kinross, Barker and Dobson, Premier Oil, Charterhall, Target Petroleum, KCA, Northern Kalgurli, C. H. Indus trial, United City Merchants, Magnet Metals, Pennine Motor, Oil Search and Courtaulds. A Call options were arranged in put was arranged in Whessee, Tebbitt, Montague L. Meyer, while a double was completed Ragian Properties, Burmah Oil, in Target Petroleum.

RECENT ISSUES

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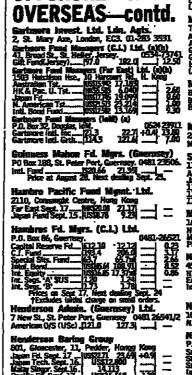
(ssue Price p:	Aniount Paid Up	Renung. Date	High	Low	Stock	Price tq	+ <u>o</u> r	Amount	Times	Qross. Yield	Ratio
560 668 150 67 44 801 457	F.P. F.P. F.P. F.P. F.P.	8/9	115 265 362 91 153 114 £117 71 85	215 338 72 133 92 £11	ttBakerElectrnics lög Brint Invs	265 358# 88 145 114 £114 68	+6 +6 -1 +4	03.85 17.5 b1.09 Q30c	4.7 4.0	7.0 1.8 — 1.2	 3,4

FIXED INTEREST STOCKS

- E.		High L	.ow	Stoci		읈	-
## ### ##############################	F.P. 10	/10,109 /1 /10. 981 ₂ : _ :17pm,1	02 97 Newc 3pm:Quaei	o Minsep 81% Cnv Do 10% Conv astle & Gateshead is Moat 101% Cons Waterworks 912%	Vns Ln 1995, I Water 8¦2, RdP I Uns Ln '89,91	.109 981 ₂ 130m	+12
							_

"RIGHTS" OFFERS

i	Issue Price		Re	itest Nunc, Jate	19	980	Stock	1003 1003 1003	+ or
	p;	Paid	•		High	Low	- Cityth	Olosi prior pr	-
	300 105	Nil Nil	22/9	17/10	56pm 16pm	44 pm 14 pm	Blue Circle British Vita	56pm 14pm	+4
	A8350 30 340	NII NII	 29/9	20/10	158pm 71epm	140pm 2pm	CRALaganvale Estates 10p	158am	+8
	. 120		 15/8	26/9	120pm 163	120pm 144	M. L. Hidgs McKay Secs	120pm 163	
	220 14 13	F.P.	5/9	6:10	21	16	Morgate Mercantile	293 20	7 12
١	10	r.P.	7318	10/10	10	73	Spencer Gears	15	¦



P.O. Box 526, Delft, Holland Esmeralda (Iss. Price). | DF58.97 | (+0.18) 1.70 | Otto International Pacific Inv. Mgest. Ltd.

Nat. Westminster Jersey Fd. Mgrs. Ltd. 45 La Motte St., St. Heler, Jersey 0534 36241 High Income Fund 1995 51.0 11.76 Equity Fund 256 6 Lba 3.38 International Boot 48.6 50.0 20.0

T. .

37

SHARE **INFORMATION**

BUILDING INDUSTRY—Contd.

BANKS AND HIRE PURCHASE 15.40 12.39 14.00 **BRITISH FUNDS** Financial Shorts" (Lives up to Five Years) **BONDS & RAILS** 13.10 = = Five to Fifteen Years **AMERICANS** Over Fifteen Years INTERNATIONAL BANK 8712 | 78 | 5pc Stock 177-82 | 864 | +4 | 5.89 | 13.36 | **CORPORATION LOANS** Bath 114pc 1985...
Birm'nan 12/pc 1985.
Birm'nan 12/pc 1985...
Birm'nan 13/pc 1981...
Burnley 13/pc 1987...
Cardiff 11/pc 1985...
Cardiff 11/pc 1983...
Cardiff 11/pc 1985.87...
D. 3-pc 1red...
L.C. 5-pc 184...
D. 5-pc 184...
D. 5-pc 184...
D. 5-pc 188...
D. 5-pc 188... **CANADIANS**

N LUANS

97-2 +-1 | 12.15 | 13.25 |
97-2 +-1 | 13.26 | 13.26 |
10.2 +-1 | 13.24 | 13.26 |
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1 **COMMONWEALTH AND** AFRICAN LOANS 6.18 13.69 7.27 12.81 11.33 13.48 9.48 12.72 10.23 16.54 — 30.33 — 30.64 ## State of the control of the contr

BEERS, WINES AND SPIRITS BUILDING INDUSTRY, TIMBER AND ROADS Alfied Pfant 10p.

Armitage Sanks.

Armitage Sanks.

Armitage Sanks.

Bailey Ben 10p.

Barrat Dev. 10p.

Beechwood 10p.

Brownies 11.

Breedon 11m.

Carran Man. 20p.

Brownies 4 Hallann

Burt Boutton £1 C.

Robey 'A' 10p.

Carran 10p.

Conder Int.

Costain Group.

Do. Defd.

Countryside Crouch (0.) 20p.

Crouch (0.) 20p.

Crouch (0.) 20p.

Crouch (0.) 20p.

Erith.

Fairclough Cors.

Feb. Intl. 10p.

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French Kier
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Galbs Droy A 10p.
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Higgs & Hill
Hoveringhar.
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Howard Shot 10p.
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Int. Timber
Jarvis (J.)
††Läyplant
Jemisgs SAO.50
Jones Edwid. 10p.
Lärge S.A.F100.
Lärge S.A.F100.

MACHINE TOOLS

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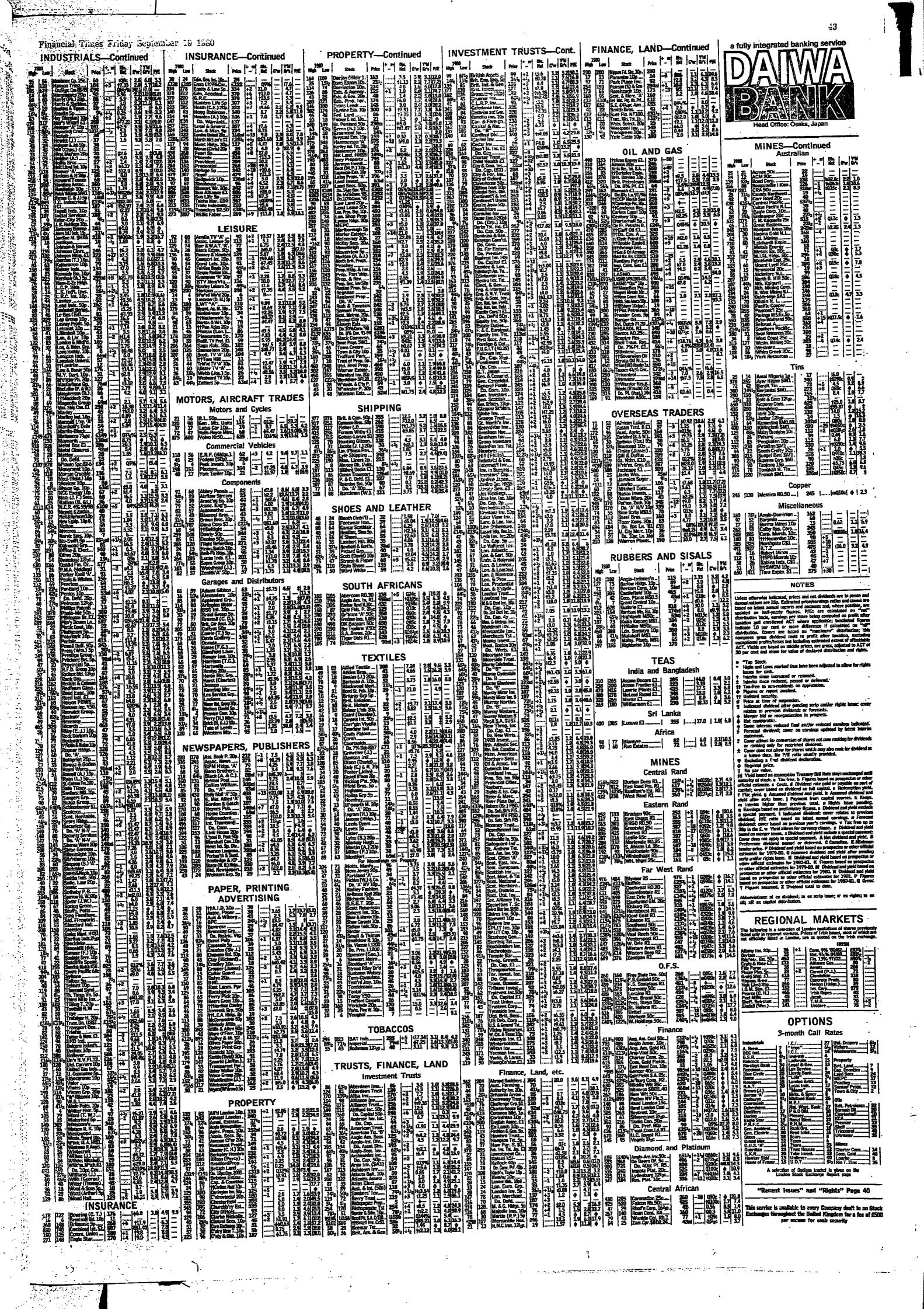
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Tel: 01-5721711

PRESIDENT Jimmy Carter vesterday signed a proclamation that the U.S. will next January | supply figures. goods from the UK, if the European Community does not end its quotas on U.S. polyester fibres at the end of this year. His threatened retaliation is

specially directed against Britain, because it was at the behest of Mrs. Thatcher's Government that the EEC imposed quotas in February on U.S. carpet yarn. Those limits expire this December a commitment to which the Carter Administra-

Yesterday's statement said that if the quotas continued into 1981, then duties on some \$80mworth of European exports a year would be raised.

The tariff on one category of man-made fibre yarn would increase from 8 to 20 per cent. while duties on shipments from Europe of woollen products would rise from 20 to 37 per cent. Britain is the biggest supplier of woollen goods from Europe to the U.S.

Yesterday's statement detailed a warning made on July 17 by Mr. Reubin Askew, U.S. trade negotiator, and was issued to allow for public comment in the

Simultaneously it will do President Carter no electoral harm with the U.S. textile in-President also signed a textile ing imports into the U.S.

A separate dispute between

the U.S. and the EEC centres on the latter's decision this summer to levy provisional anti-dumping duties on categories of U.S. synthetic fibre final ruling from Brussels.

The U.S. contested the dumping allegation but urges U.S. producers such as Dupont and Monsanto to co-operate with the investigation to get their side Britain.
of the case heard in Brussels.

EEC and the U.S. over textiles It was noted that no decision

has been taken, in London or Brussels, on whether quotas should be extended after December 31. The British Textile Confed-

eration said U.S. retaliation against quotas protecting the UK would be unjustified.

It would open the way to the trade war we all wish to avoid," said Mr. Ian MacArthur, director. The BTC has argued debt. The fund has not done that lower U.S. oil prices give so yet, but it may, following the the U.S. textile industry unfair | rebuff of its attempt to borrow

Australia closer to

MR DOUGLAS ANTHONY, the ment to "hold its hands" over

Australian Deputy Prime other projects, pending the out-Minister, made clear yesterday come of EEC Council of

that Australia's threat to divert Ministers' meeting this month

four days of talks with leading of what Australia sees as its European Commission officials, negotiated quota of exports to

among projects worth up to EEC's proposed sheepmeat

A\$1bn (£490m) that the Aus- regime, and a form of words

was

Government's economic capital projects.

Heseltine.

peace with EEC

BY LARRY KLINGER IN BRUSSELS

Minister, made clear yesterday come

mented the compromise agricul-

ture proposals hammered out in

Brussels during the past few

However, Mr. Anthony, after

sald a "satisfactory understand-

ing" on the major issues had been reached and that he would

take "immediate decisions" in

include the go-ahead for the

European Airbuses ordered by

Australia. The Airbus deal was

Government

he also said that he

Environment Secretary, has duced been under pressure from Mrs. cies.

Thatcher and the Treasury to

take tough action in time for

would recommend his Govern- exports.

These were understood to

Europe's favour.

threatening to divert

Michael

trade away from Europe would and next.
only be lifted if the EEC imple- Mr. Ar

Cabinet supports Howe's cautious approach to cutting interest rates

THE DETERMINATION of Sir Geoffrey Howe, the Chancellor, to take a cautious view about an early cut in interest rates was yesterday endorsed in the morning by the Cabinet and reinforced in the afternoon by

raise duties on some European The Bank of England figures textile imports, mainly woollen indicate that the underlying rate of monetary growth is still well above the official target range, while Government bor rowing remains at a high level any significant change in the underlying private sector demand for credit.

> Sir Geoffrey, in his report to the Cabinet apparently reassured his colleagues that the basic strategy was still on course. It was agreed that while an early cut in interest rates was desirable, this could only happen when it was justifiable in terms of the strategic aims.

Cabinet in its first full session since the start of the Parliamen-

The Cabinet did not discuss

The Bundesbank yesterday German key interest rate cut West Germany's Lom- movement since last May. bard rate from 9.5 to 9 per left unchanged at 7.5 per cent - the first West cent. Page 2

imminent large cut in interest

rates. A small reduction is still

possible, though very far from

certain, after the September

banking figures are available

early next month. Many Tory MPs will be disappointed if

Minimum Lending Rate is still

at its present 16 per cent when

they return to Westminster at

the end of October, especially

in view of reports about the

impact of the recession in their

own constituencies.

The discount rate has been

sisted mainly of progress now. But the evidence of reports from individual mini-sters on what had happened gest that when the Cabinet during the last six weeks. will be considerable pressure Ministers have been anxious for a generous package to help to dampen speculation about an

> The latest monetary figures, as expected, show that sterling M3, the broadly defined money supply, rose by 2.9 per cent last A large part of this increase can be explained by distortions following the end of the corset controls on the banks in mid-June, notably the switching back of operations within the measured money supply.

But after making a generous allowance for these distortions. Although the confidence of some ministers has been serithe underlying rate of growth ously shaken by recent financial of sterling M3 may still be about figures, most still believe that 15 to 16 per cent compared with any specific measures to help it would be suicidal for the an official target rate of increase industry. The meeting con-Government to change course of 7 to 11 per cent. Moreover.

domestic credit expanded by £2.02bn last month.

These figures are officially seen as fully justifying the need for caution about MLR until a clearer picture emerges of both the distortions and the under-

public sector borrowing and pri vate sector demand for credit will decline in the second half of 1980-81.

distortions and the three-monthly pattern of bank lending, the underlying growth in advances is reckoned to have been much as in recent months. Since mid-August, there have been reports of some easing in the demand for credit but at present there is official scepticism about this evidence.

Five currencies to make up SDR valuation basket

BY DAVID BUCHAN IN WASHINGTON

tion of its reserve asset, the by setting it in terms of five observer at this month's major currencies instead of the annual meeting. "basket" of 16 cur-

The change, announced in smaller basket for valuation is close to that already used in calculation of the asset's interest rate, and is composed of the currencies of the U.S., West Germany, Japan, France and cent).

regarded as another move in currency baskets that deter-the war of nerves between the mine the value and interest rate on the SDR now, instead of waiting until the review planned for 1983.

a unit of account in financial operations, they said. A slimmed-down basket "in easily tradable currencies " would

encourage this trend. The changes would also make it easier for the IMF to borrow directly from private markets and to issue SDR denominated

Mr. Anthony said he had

Beef: A compromise had been

reached on the implementation

the EEC of frozen beef for pro-

Sugar: The commission, he

said, had agreed to continue to

seek a mandate to negotiate EEC entry into the Inter-

Lamb and mutton: A com-

promise was reached for access

of Australian meat under the

was to be agreed to protect Australia against possible

undercutting by subsidised EEC

Mr. Heseltine admitted yes-

"But the powers avail-

terday that his decision intro-

duced some unfair inconsisten-

able to me are limited and I

Local authorities Continued from Page 1

national Sugar Agreement.

reached understandings with the commission on the three

THE International Monetary countries because of the dispute of 16 was created, the SDR was dustry, which has long sought THE International Monetary countries because of the dispute more protection. This week the Fund is to simplify the valua- among IMF member states over Special Drawing Right (SDR), Liberation Organisation as an

> The new formula for SDR valuation will give the U.S. dollar a 42 per cent weighting Washington yesterday, will take compared to 33 per cent at effect from January 1, 1981. The present. The D-mark also rises per cent), and the pound sterling, French franc and Japanese yen increase to 13 per cent each in the basket (from 7.5 per

the case heard in Brussels.

Paul Cheeseright adds: In casons lay behind the decision had given the markets four to "unify and simplify" the months' police of the months' polic transition. The interest rate basket stays

at five currencies. But the officials said the current interest Private capital markets were rate of 8.25 per cent on SDRs increasingly using the SDR as is likely to be increased to 8.5 per cent on October 1. Governments holding SDRs are paid 80 per cent of the full SDR interest

The currency composition of the SDR's basket will be reviewed at five-year intervals beginning on January 1, 1986. Despite its poor performance in trade. Britain is likely to have sterling in the SDR basket for

BY OUR FOREIGN STAFF

fighter and repulsed armoured

and artillery attacks in what

appears to be a further intensification of the horder dispute

between the two major oil-

region but had been driven

back. Iraq denied earlier Iranian claims that an ammuni-

tion supply train had been

The regime in Tehran has yet

to react at Government level to Tuesday's announcement by Iraq

the vital Shatt al-Arab water-

way in defiance of the 1975

border agreement, but officials

described the move as "an act

Iraq, through its news agency

INA, also claimed that one of

its oil tankers had been fired on in the Shatt al-Arab estuary.

all overspenders on the Govern-

ment's new assessments of what

Newcastle, for example, has

the highest rate outside London

and is to be penalised. But on

they should be spending.

producing nations.

blown up.

of war.'

have shot down an Iranian jet fire.

military spokesman in

Iraq strengthens its

IRAO CLAIMED yesterday to Iraqi forces had returned the

Baghdad said Iranian tanks had ships using the waterway would launched attacks in the Maysan have to pay dues in return for

hold on waterway

valued solely in terms of the U.S. dollar There was one change in 1978, with the South African rand and the Dutch guilder dropping out and the Saudi Arabian and Iranian rials coming in.

Nieholas Colchester writes: British Government and Bank of England officials are waiting anxiously for today's outcome of U.S. efforts to prevent the PLO from going to Washington at the end of the month as an observer at the annual meetings of the IMF and the World Bank. Britain has cast its vote

against the inclusion of the PLO. Either way it is resolved, the issue may reduce the IMF's access to funds. If the PLO goes to Washington the U.S. Congress could refuse to participate in the seventh general increase of IMF quotas-which will contribute to the IMF, how much it can borrow, and how

much voting influence it has.

But if the PLO is excluded, Arab members of the Organisation of Petroleum Exporting Countries may not provide the the IMF has been seeking from British officials concede that this could force the IMF to turn to the some time. force the IMF to turn to Until 1974, when the basket capital markets for funds.

ships sailing through

Shatt al-Arab would have in future to fly the Iraqi flag and

follow instructions from the Iraqi authorities, it said. INA also quoted the foreign ministry

in Baghdad as saying that all

navigational services and the

The estuary, close to the main oil-producing areas, is

flanked by large port installa-

tions and refineries, Iraq's oil production is running at about

3.7m barrels a day and Iran's

that "Iraqi Moslem fighters'

had blown up the ammunition

train-reflecting attempts by the Iranian Shia religious lead-

ership to incite the 50 per cent

OPEC policy, Page 22

Continued from Page 1

urgently needed maintenance

work on railway stock and

allowed to borrow comes from

the Government's contingency

The extra £40m BR is now

track, and cuts in services.

Shis population of Iraq.

BR

Tehran radio said yesterday

Consett bid consortium

REPRESENTATIVES OF the consortium seeking to take over British Steel's Consett, County Durham, spent an hour with Mr. Ian MacGregor, chairman of BSC, yesterday and left saying they were "very optimistic."
The consortium of 11 busi-

£2m for the plant, which closed with 3,700 redundancies last companies involved have not two of them were at the meeting They were Mr. David Beeley, joint managing director of Cronite, a private steel company, and Mr. John O'Keefe. and the consortium's secretary. Mr. Keith Bill, representing the

Iron and Steel Trades Confedattempt to revive the plant. Mr. Bill said afterwards that BSC had approached the bid seriously and had made a number of suggestions on how the

Background, Page 6

Weather

UK TODAY

Most areas will have some rain at times but Eastern England may stay mostly dry. London, S.E. and E. England

Mostly dry, bright periods. Max. 18C (64F). S. England. Midlands, N., N.W. and N.E. England, Channel Is.

Borders, Highlands, N.E. Scotland Cloudy, outbreaks of rain

longer outbreaks of rain in S.

į			•c	٠.۴			·č	"ij
ı	Alaccio	s	24	75	Lisbon	s	23	73
ı	Algiers	S	27	81	Locarno	Č	22	72
ļ	Amsdm	F	18	64	London	R	16	61
i	Athens	S	26	79	Luxmbg.	F	18	64
	Bahrain	Š	34	93	Luxor	S	38	100
ļ	Barcina.	S	25	79	Madrid	F	26	79
I	Berrut	s	28	82		s	27	81
i	Bellast	С	14	57	Malage	S	26	79
١	Belgrd.	S	23	73	Melta	5	26	79
Į	Berlin	F	18	64	Mchstr.	С	17	63
١	Biorritz	s	31	88		F	15	59
1	Black p'l	Ç	16	61	Milan	Ç	23	73
:	BMahm	С	16	G 1		С	8	45
	Bordx.	F	29	84	Mascow	C	19	66
ı	Boulgn.	С	19	66	Munich	F	20	68
i	Bristol	С	17	63	Nairobi	S	28	82
	Brussels	F	20	68	Naples	S	25	77
		С	20	68		C	14	57
Į	Cairo	S	31	88	N. York	C	19	68
ļ	Cardiff	Č	17	63	Nice	C	23	73
ŀ	Casbca.	Ē	26	79	Oporto	F	20	68
Ì	Cape T.	Ś	17	63	Oslo	Ś	18	64
ļ	Cologne	F	19	66	Paris	č	21	70
ı	Conhan.	F	17	63	Perth	č	15	59
ı	Carin	F	27	81		č	18	64
ı	Dublin	R	15	59		š	10	50
ı	Dhrynk.	S	24	75	Rhodes	Š	27	81
ļ	Fonban.	Ċ	13	55		Š	26	79
i	Faro	ŝ	27	81	Salzb'o	č	22	72
ı	Florence	š	26	79		Ř	27	۴ĩ
ı	Frankiis	F	24	75		R	13	55
ı	Genava	F	21	70		Ë	22	72
l	Cabrite.	F	26	79	Sydney	Š	18	64
l	Glasgow	Ċ	13	55	Tangier	5	30	88
	G'rnsey	č	16	61	Tel Aviv	Š	26	79
	Helsink i	č	13	55	Tenerife	F	22	72
	H. Kong	š	31	88	Takvo	ć	25	Ϋ́
	Innsbrk	Ë	22	72	Tunis	š	28	۶ż
	Invmss.	Ř	12	54	Valencia	F	27	81
	l.n.Man	R	15	59	Venice	ķ	Žΰ	68
	latanhul	ë	77	77	Vienna	ř	70	Ē.

lying trend.
The official hope is that both

After adjusting for the corset

The money supply figures had little impact yesterday on the gilt-edged market. There was, as expected, only limited interest in the new stock, 12 per cent Exchequer 1998, when the offer closed. All tenders from the public were allotted in full at the minimum price of £92.50

Table, Page 7

'optimistic'

nesses wants to pay about £1.5mweek. Although most of the been named, representatives of managing director of the Chard They were accompanied by

eration, which supports the

consortium might proceeds. The consortium would meet soon to discuss information provided by

Mainly cloudy, rain at times. Max. 18C (64F). S.W. England, Wales

Rather cloudy, showers, some heavy. Sunny intervals develop-ing. Max. 17C (63F). S.W., N.W. Scotland, N. Ireland Occasional showers, some heavy. Bright intervals. Max.

becoming brighter. Max. 15C

Outlook: Sunny intervals and howers, with perhaps some

WORLDWIDE

i			•c	۰F			•c	•F
	Alaccio	S	24	75	Lisbon	S	23	73
ı	Algiers	S	27	81	Locarno	Č	22	72
ļ	Amsdm	F	18	64	London	R	16	61
i	Athens	S	26	79	Luxmbg.	F	18	64
	Bahrain	S	34	93	Luxor	S	38	100
ļ	Barcina.	S	25	79	Madrid	F	26	79
I	Berrut	s	28	82	Majorca	s	27	81
1	Belfast	С	14	57	Malage	S	26	79
١	Belgrd.	S	23	73	Melta	5	26	79
Į	Berlin	F	18	64	Mchstr.	С	17	63
١	Biarritz	S	31	88	Melbne.	F	15	59
1	Black p'l	Ç	16	61	Milan	Ç	23	73
:	BMahm	С	16	G 1		С	8	46
	Bordx.	F	29	84	Mascow	C	19	66
ı	Boulgn.	C	19	66	Munich	F	20	68
i	Bristol	С	17	63	Nairobi	S	28	82
	Brussels	F	20	68	Naples	S	25	77
ļ	Budpst.	С	20	68		C	14	57
l	Cairo	S	31	88	N. York	C	19	68
ļ	Cardiff	Č	17	63	Nice	Ē	23	73
ŀ	Casbca.	Ē	26	79	Oporto	Ē	20	68
Ì	Cape T.	Ś	17	63	Ōslo	Ś	18	64
ļ	Cologne	F	19	66	Paris	č	21	70
ı	Conhan.	F	17	63	Perth	č	15	59
ı	Carin	F	27	81	Praque	č	18	64
ı	Dublin	Ř	15	59	Roykjuk,	š	10	50
ı	Dhrynk.	S	24	75	Rhodes	Š	27	81
ı	Fonban.	Ċ	13	55	Rome	Š	26	79
Ì	Faro	ŝ	27	81	Salzb'g	č		72
ı	Florence	š	26	79	Singapr.	Ř	22 27	έĩ
ı	Frank!'t	F	24	75		R	13	55
ı	Genava	F	21	70		Ë	22	72
ļ	Cabrite.	F	26	79	Sydney	Š	18	64
l	Glasgow	Ċ	13	55	Tangier	s	30	88
	G'rnsey	č	16	61	Tel Aviv	š	26	79
	Helsink i	č	13	55	Tenerite	F	22	72
	H. Kong	š	31	ŘŘ	Takvo	ć	25	Ϋ́
	Innsbrk	Ë	22		Tunis	š	28	۴ż
	invmss.	Ė	12	54	Valencia	Ĕ	27	81
	l.n.Man	Ř	15	59			20	68
	Istanhul	ŝ	77	72	Vienna	ç	ìă	54
	Jersey	č	17	63	Warsaw	F	15	57
	1-75	~				-		==

THE LEX COLUMN

UK slump deepens for GKN

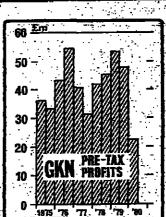
Britain's industrial resterday claimed a notable victim in GKN s dividend rate. Not only is GKN's first half profits figure of £22.4m worse than expected—though a hefty fall from the comparable £53.5m was inevitable—but the group is earning no money at all in the UK. Moreover the short term prospect is that conditions will get worse rather than better, especially since the second half will bear most of the costs of a substantial redundancy and closure programme. The group can see no chance of any improvement in conditions until well into next year, and the bad news played a big part in the nine-point slump in a previously buoyant 30-Share Index between noon and the close yesterday. GKN's own share price tumbled 30p to

ing quite well overseas, where trading profits improved from have been under heavy pressure. £23m to £28m in the first half. In continental Europe' Rown-The continuing swing to front tree's already narrow profit wheel drive cars in Europe is margin on its annual sales of raising demand for constant around £150m have been wiped velocity joints and this is off-out altogether by the rise in setting any overall decline in sterling and fierce price comcar output. Thus in the current petition, notably from Mars. half the introduction of Ford's new Escort model should help to maintain its ambitious exmaintain overseas profitability pansion programme for some (though the new U.S. operation time yet. Gearing should be will not start to contribute only marginally higher at the

costs above the line, and may even be room for a small another £20m below, and a UK increase. This year's interest loss seems inevitable. Overall charge may be over £15m, so pre-tax profits for the full year could be slashed from £101.4m modity prices could bring a to the order of £35m, and overseas tax will absorb most of to be broadly discounted with this. With debt rising, GKN the shares at 174p, where the could not allow the dividend to yield is 6 per cent.

knocked profits back from £9.3m to £4.3m. The impact of these costs Rowntree seems more hesitant for confectionery sales over

Index fell 3.1 to 497.7



time when confectionery sales

However, Rowntres can afford

year-end, when debt could represent roughly 30 per cent In the UK, however, the represent roughly 30 per cent gloom is deep and GKN has of shareholders' funds. A mainbeen trimming its operations tained dividend could be back hard. The second half roughly twice covered by will bear £9m of exceptional current cost earnings, and there

Delta Metal

Delta Metal's first half pre-tax profits are a mere £0.6m lower Rowntree Mackintosh's in- at £13.5m, thanks to a solid terim trading results are more performance overseas and a good or less unchanged, but sharply first quarter in the UK, with higher depreciation and finance of the strikes that pre-tax bedevilled early 1979. Since has largely given these 13m to April, though, there has been up as a had job the familiar violent drop in far more interested. will be less noticeable in the demand, especially in the build- Treasury's optimistic views will be less noticeable in the demand, especially in the current half, when for seasonal ing products division, where future public borrowing freasons the overall level of sales of some lines are 40 per also quite likes to see the first profits is much higher. But cent below last year's levels. The group feels that customer which seem to be getting than Cadbury about the outlook destocking is largely over, but much the same treatment as final demand seems to have the nationalised industries for confectionery sales over the confection straight cut in subsidies. The confection straight cut in subsidies are confection straight cut in subsidies. The confection straight cut in subsidies are confection straight cut in subsidies. The confection straight cut in subsidies are confection straight cut in subsidies. The confection straight cut in subsidies are confection straight cut in subsidies are confection straight cut in subsidies are confection straight cut in subsidies are

With some help from the lower copper price, net borowings have been held somewhere near the £84m shown in the last balance sheet, and the capital spending programme is being pruned.
Delta's first half courent out
profit before tax has been halved
to £4.7m, and there is a loss after to £4.7m, and there is a loss arter tax, which might influence the final dividend decision if there is no general upture in demand by the year end. On the basis of an unchanged sp total dividend the yield on the shares at 5810, up 31p yesterday is just over 15 per cent.

UDS

Not only manufacturing com-panies are seeing their profits vanish—UDS has come out with just £2.1m pre-tax for the six months to July (rather less than hare price tumbled 30p to the interest saving on last sum.

98p. spending heavily on fixed assets mer's rights issue) compared in contrast, GKN is perform- and brand development at a with £10m in the first flat of 1979-80, a figure which segmed slightly disappointing at the time Much of the frouble has been at the John Myers mail order business, which has lost over £3m, and is now to be sold to GUS, but there is also a sharp fall in the multiple stores carnings. The UDS star, Richard break even at the trading level. It may be that trading can only ger better in the seasonally much more important second half, and the Myers losses will soon be off UDS's back. But the interim dividend may only have been maintained because shareholders have put up cash so recently. The yield

at 680 is 131 per cent.

The full money supply figures for hanking August show stepling M3 up by 29 per cent. a whisker below the preliminary indication Cather of the preliminary. indication. Sales of debitio the non-bank private sector were very high, at £1.2bn - and a the central Government's bor rowing needs touched a seas ally adjusted record of £2 05hn The Bank of England does not seem to be convinced that the underlying level of bank lending to the private sector has

THE DELTA GROUP

Interim Report 1980

•	TF-14	Half year to Year to	
	<u></u>		
	28.6.80	30.6.79	29.12.79
Sales	£283.29m	£256.84m £	512.70m
Profit before tax	£13.45m	£14.05m	£30.43m
Attributable profit	£6.08m	£8.03m	£18.43m
Dividend per share	1.82p	1.82p	6,00p
· · ·	:	are and a Territoria	11 - AL 17

* Demand in the UK dropped severely from the beginning of

Our overseas companies achieved higher sales and profits.

I am hopeful that destocking by many customers is largely completed and that home demand will fall no further.

* I am confident we shall emerge from the present recession well prepared to take orders on a more profitable basis.

Lord Caldecote. Chairman. Delta provides products and services for the control and supply of electricity,

water and gas, as well as components and non-ferrous alloys, world-wide The Delta Metal Company Limited

Copies of the Interim Report available from the Company Secretary, 1, Kingsway, London WC2B-EXP

cannot help it. This is the best reserve, a fund which stood at the assessments for the new next month's Party conference. we can do until we have the £1.3bn in March, and was within block grant system to be introwhere rates will again be one powers we need next year which the planned level of Governduced in 1981-82 Newcastle's of the main subjects of protest ment spending. are in the Local Government spending level is almost on tarfrom the rank and file. Sir Peter Parker, chairman Bill now before Parliament." As an alternative to yesterof the British Railways Board. Local authorities which have day's measures a moratorium on Eight authorities which would met all the Government's have been penalised for spendsaid last night the Government capital projects was considered. action was a realistic reaction targets, cut their expenditure Mr. Heseltine said this idea had ing too much have been reto the effects of the recession. and manpower and improved the disadvantage of not reducprieved because they have made "It gives us a more businesstheir efficiency will suffer just ing revenue expenditure, where special efforts to cut their budgets. They are Southwark, like flexibility which we have as much as the worst offenders most of the overspending was been asking for." he said.
"There is much we are doing if the £200m is withdrawn. incurred. In addition he had Haringey. Swansea, Newham, Another inconsistency, he been convinced by the construc-Manchester. Doncaster. Wands- to help ourselves and much we tion industry's protests about acknowledged, was that the worth and Merthyr Tydfil. All still need to do and the unions the effect of a moratorium in authorities penalised were not except Wandsworth are Labour. | know it."